

**[COMMITTEE PRINT]**

[SHOWING PROPOSED BILL TO BE INTRODUCED]

109TH CONGRESS  
2D SESSION**H. R.** \_\_\_\_\_

To amend title XXVI of the Public Health Service Act to revise and extend the program for providing life-saving care for those with HIV/AIDS.

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**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_ introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

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**A BILL**

To amend title XXVI of the Public Health Service Act to revise and extend the program for providing life-saving care for those with HIV/AIDS.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Ryan White HIV/AIDS Treatment Modernization Act of  
6       2006”.

1           (b) TABLE OF CONTENTS.—The table of contents of  
2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EMERGENCY RELIEF FOR ELIGIBLE AREAS

- Sec. 101. Establishment of program; general eligibility for grants.  
Sec. 102. Type and distribution of grants; formula grants.  
Sec. 103. Type and distribution of grants; supplemental grants.  
Sec. 104. Timeframe for obligation and expenditure of grant funds.  
Sec. 105. Use of amounts.  
Sec. 106. Additional amendments to part A.  
Sec. 107. New program in part A; transitional grants for certain areas ineligible under section 2601.  
Sec. 108. Authorization of appropriations for part A.

TITLE II—CARE GRANTS

- Sec. 201. General use of grants.  
Sec. 202. AIDS Drug Assistance Program.  
Sec. 203. Distribution of funds.  
Sec. 204. Additional amendments to subpart I of part B.  
Sec. 205. Supplemental grants on basis of demonstrated need.  
Sec. 206. Emerging communities.  
Sec. 207. Timeframe for obligation and expenditure of grant funds.  
Sec. 208. Authorization of appropriations for subpart I of part B.  
Sec. 209. Early diagnosis grant program.  
Sec. 210. Certain partner notification programs; authorization of appropriations.

TITLE III—EARLY INTERVENTION SERVICES

- Sec. 301. Establishment of program; core medical services.  
Sec. 302. Eligible entities; preferences; planning and development grants.  
Sec. 303. Authorization of appropriations.  
Sec. 304. Confidentiality and informed consent.  
Sec. 305. Provision of certain counseling services.  
Sec. 306. General provisions.

TITLE IV—WOMEN, INFANTS, CHILDREN, AND YOUTH

- Sec. 401. Women, infants, children, and youth.  
Sec. 402. GAO Report.

TITLE V—GENERAL PROVISIONS

- Sec. 501. General provisions.

TITLE VI—DEMONSTRATION AND TRAINING

- Sec. 601. Demonstration and training.  
Sec. 602. AIDS education and training centers.  
Sec. 603. Codification of minority AIDS initiative.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Hepatitis; use of funds.

Sec. 702. Certain references.

# **TITLE I—EMERGENCY RELIEF FOR ELIGIBLE AREAS**

## **SEC. 101. ESTABLISHMENT OF PROGRAM; GENERAL ELIGIBILITY FOR GRANTS.**

(a) IN GENERAL.—Section 2601 of the Public Health Service Act (42 U.S.C. 300ff-11) is amended by striking subsections (b) through (d) and inserting the following:

“(b) CONTINUED STATUS AS ELIGIBLE AREA.—Notwithstanding any other provision of this section, a metropolitan area that is an eligible area for a fiscal year continues to be an eligible area until the metropolitan area fails, for three consecutive fiscal years—

“(1) to meet the requirements of subsection (a);  
and

“(2) to have a cumulative total of 3,000 or more living cases of AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention) as of December 31 of the most recent calendar year for which such data is available.

“(c) BOUNDARIES.—For purposes of determining eligibility under this part—

“(1) with respect to a metropolitan area that received funding under this part in fiscal year 2006,

1 the boundaries of such metropolitan area shall be  
2 the boundaries that were in effect for such area for  
3 fiscal year 1994; or

4 “(2) with respect to a metropolitan area that  
5 becomes eligible to receive funding under this part in  
6 any fiscal year after fiscal year 2006, the boundaries  
7 of such metropolitan area shall be the boundaries  
8 that are in effect for such area when such area ini-  
9 tially receives funding under this part.”.

10 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
11 Section 2601(a) of the Public Health Service Act (42  
12 U.S.C. 300ff-11(a)) is amended—

13 (1) by striking “through (d)” and inserting  
14 “through (c)”; and

15 (2) by inserting “and confirmed by” after “re-  
16 ported to”.

17 (c) DEFINITION OF METROPOLITAN AREA.—Section  
18 2607(2) of the Public Health Service Act (42 U.S.C.  
19 300ff-17(2)) is amended—

20 (1) by striking “area referred” and inserting  
21 “area that is referred”; and

22 (2) by inserting before the period the following:  
23 “, and that has a population of 50,000 or more indi-  
24 viduals”.

1 **SEC. 102. TYPE AND DISTRIBUTION OF GRANTS; FORMULA**  
2 **GRANTS.**

3 (a) DISTRIBUTION PERCENTAGES.—Section  
4 2603(a)(2) of the Public Health Service Act (42 U.S.C.  
5 300ff-13(a)(2)) is amended—

6 (1) in the first sentence—

7 (A) by striking “50 percent of the amount  
8 appropriated under section 2677” and inserting  
9 “66 $\frac{2}{3}$  percent of the amount made available  
10 under section 2610(b) for carrying out this sub-  
11 part”; and

12 (B) by striking “paragraph (3)” and in-  
13 serting “paragraphs (3) and (4)”.

14 (2) by striking the last sentence.

15 (b) DISTRIBUTION BASED ON LIVING CASES OF HIV/  
16 AIDS.—Section 2603(a)(3) of the Public Health Service  
17 Act (42 U.S.C. 300ff-13(a)(3)) is amended—

18 (1) in subparagraph (B), by striking “estimated  
19 living cases of acquired immune deficiency syn-  
20 drome” and inserting “living cases of HIV/AIDS  
21 (reported to and confirmed by the Director of the  
22 Centers for Disease Control and Prevention)”; and

23 (2) by striking subparagraphs (C) through (E)  
24 and inserting the following:

25 “(C) LIVING CASES OF HIV/AIDS.—

1                   “(i) REQUIREMENT OF NAMES-BASED  
2                   REPORTING.—Except as provided in clause  
3                   (ii), the number determined under this  
4                   subparagraph for an eligible area for a fis-  
5                   cal year for purposes of subparagraph (B)  
6                   is the number of living names-based cases  
7                   of HIV/AIDS that, as of December 31 of  
8                   the most recent calendar year for which  
9                   such data is available, have been reported  
10                  to and confirmed by the Director of the  
11                  Centers for Disease Control and Preven-  
12                  tion.

13                  “(ii) TRANSITION PERIOD; EXEMP-  
14                  TION REGARDING NON-AIDS CASES.—For  
15                  each of the fiscal years 2007 through  
16                  2010, an eligible area is, subject to clauses  
17                  (iii) through (v), exempt from the require-  
18                  ment under clause (i) that living names-  
19                  based non-AIDS cases of HIV be reported  
20                  unless—

21                         “(I) a system was in operation as  
22                         of December 31, 2005, that provides  
23                         sufficiently accurate and reliable  
24                         names-based reporting of such cases  
25                         throughout the State in which the

1 area is located, subject to clause (viii);  
2 or

3 “(II) no later than the beginning  
4 of fiscal year 2008, 2009, or 2010,  
5 the Secretary, in consultation with the  
6 chief executive of the State in which  
7 the area is located, determines that a  
8 system has become operational in the  
9 State that provides sufficiently accu-  
10 rate and reliable names-based report-  
11 ing of such cases throughout the  
12 State.

13 “(iii) REQUIREMENTS FOR EXEMP-  
14 TION FOR FISCAL YEAR 2007.—For fiscal  
15 year 2007, an exemption under clause (ii)  
16 for an eligible area applies only if, by Octo-  
17 ber 1, 2006—

18 “(I)(aa) the State in which the  
19 area is located had submitted to the  
20 Secretary a plan for making the tran-  
21 sition to sufficiently accurate and reli-  
22 able names-based reporting of living  
23 non-AIDS cases of HIV; or

24 “(bb) all statutory changes nec-  
25 essary to provide for sufficiently accu-

1 rate and reliable reporting of such  
2 cases had been made; and

3 “(II) the State had agreed that,  
4 by April 1, 2008, the State will begin  
5 accurate and reliable names-based re-  
6 porting of such cases, except that  
7 such agreement is not required to pro-  
8 vide that, as of such date, the system  
9 for such reporting be fully sufficient  
10 with respect to accuracy and reli-  
11 ability throughout the area.

12 “(iv) REQUIREMENT FOR EXEMPTION  
13 AS OF FISCAL YEAR 2008.—For each of the  
14 fiscal years 2008 through 2010, an exemp-  
15 tion under clause (ii) for an eligible area  
16 applies only if, as of April 1, 2008, the  
17 State in which the area is located is sub-  
18 stantially in compliance with the agree-  
19 ment under clause (iii)(II).

20 “(v) PROGRESS TOWARD NAMES-  
21 BASED REPORTING.—For fiscal year 2009  
22 or 2010, the Secretary may terminate an  
23 exemption under clause (ii) for an eligible  
24 area if the State in which the area is lo-  
25 cated submitted a plan under clause



1 (iii)(I)(aa) and the Secretary determines  
2 that the State is not substantially following  
3 the plan.

4 “(vi) COUNTING OF CASES IN AREAS  
5 WITH EXEMPTIONS.—

6 “(I) IN GENERAL.—With respect  
7 to an eligible area that is under a re-  
8 porting system for living non-AIDS  
9 cases of HIV that is not names-based  
10 (referred to in this subparagraph as  
11 ‘code-based reporting’), the Secretary  
12 shall, for purposes of this subpara-  
13 graph, modify the number of such  
14 cases reported for the eligible area in  
15 order to adjust for duplicative report-  
16 ing in and among systems that use  
17 code-based reporting.

18 “(II) ADJUSTMENT RATE.—The  
19 adjustment rate under subclause (I)  
20 for an eligible area shall be a reduc-  
21 tion of 5 percent in the number of liv-  
22 ing non-AIDS cases of HIV reported  
23 for the area.

24 “(vii) MULTIPLE POLITICAL JURISDIC-  
25 TIONS.—With respect to living non-AIDS

1 cases of HIV, if an eligible area is not en-  
2 tirely within one political jurisdiction and  
3 as a result is subject to more than one re-  
4 porting system for purposes of this sub-  
5 paragraph:

6 “(I) Names-based reporting  
7 under clause (i) applies in a jurisdic-  
8 tional portion of the area, or an ex-  
9 emption under clause (ii) applies in  
10 such portion (subject to applicable  
11 provisions of this subparagraph), ac-  
12 cording to whether names-based re-  
13 porting or code-based reporting is  
14 used in such portion.

15 “(II) If under subclause (I) both  
16 names-based reporting and code-based  
17 reporting apply in the area, the num-  
18 ber of code-based cases shall be re-  
19 duced under clause (vi).

20 “(viii) LIST OF ELIGIBLE AREAS  
21 MEETING STANDARD REGARDING DECEM-  
22 BER 31, 2005.—

23 “(I) IN GENERAL.—If an eligible  
24 area or portion thereof is in a State  
25 specified in subclause (II), the eligible

1 area or portion shall be considered to  
2 meet the standard described in clause  
3 (ii)(I). No other eligible area or por-  
4 tion thereof may be considered to  
5 meet such standard.

6 “(II) RELEVANT STATES.—For  
7 purposes of subclause (I), the States  
8 specified in this subclause are the fol-  
9 lowing: Alaska, Alabama, Arkansas,  
10 Arizona, Colorado, Florida, Indiana,  
11 Iowa, Idaho, Kansas, Louisiana,  
12 Michigan, Minnesota, Missouri, Mis-  
13 sissippi, North Carolina, North Da-  
14 kota, Nebraska, New Jersey, New  
15 Mexico, New York, Nevada, Ohio,  
16 Oklahoma, South Carolina, South Da-  
17 kota, Tennessee, Texas, Utah, Vir-  
18 ginia, Wisconsin, West Virginia, Wyo-  
19 ming, Guam, and the Virgin Islands.

20 “(ix) RULES OF CONSTRUCTION RE-  
21 GARDING ACCEPTANCE OF REPORTS.—

22 “(I) CASES OF AIDS.—With re-  
23 spect to an eligible area that is sub-  
24 ject to the requirement under clause  
25 (i) and is not in compliance with the

1 requirement for names-based report-  
2 ing of living non-AIDS cases of HIV,  
3 the Secretary shall, notwithstanding  
4 such noncompliance, accept reports of  
5 living cases of AIDS that are in ac-  
6 cordance with such clause.

7 “(II) APPLICABILITY OF EXEMP-  
8 TION REQUIREMENTS.—The provi-  
9 sions of clauses (ii) through (viii) may  
10 not be construed as having any legal  
11 effect for fiscal year 2011 or any sub-  
12 sequent fiscal year, and accordingly,  
13 the status of a State for purposes of  
14 such clauses may not be considered  
15 after fiscal year 2010.

16 “(x) PROGRAM FOR DETECTING INAC-  
17 CURATE OR FRAUDULENT COUNTING.—  
18 The Secretary shall carry out a program to  
19 monitor the reporting of names-based  
20 cases for purposes of this subparagraph  
21 and to detect instances of inaccurate re-  
22 porting, including fraudulent reporting.”.

23 (c) CODE-BASED AREAS; LIMITATION ON INCREASE  
24 IN GRANT.—Section 2603(a)(3) of the Public Health  
25 Service Act (42 U.S.C. 300ff-13(a)), as amended by sub-

1 section (b)(2) of this section, is amended by adding at the  
2 end the following subparagraph:

3 “(D) CODE-BASED AREAS; LIMITATION ON  
4 INCREASE IN GRANT .—

5 “(i) IN GENERAL.—For each of the  
6 fiscal years 2007 through 2010, if code-  
7 based reporting (within the meaning of  
8 subparagraph (C)(vi)) applies in an eligible  
9 area or any portion thereof as of the begin-  
10 ning of the fiscal year involved, then not-  
11 withstanding any other provision of this  
12 paragraph, the amount of the grant pursu-  
13 ant to this paragraph for such area for  
14 such fiscal year may not—

15 “(I) for fiscal year 2007, exceed  
16 by more than 5 percent the amount of  
17 the grant for the area that would have  
18 been made pursuant to this paragraph  
19 and paragraph (4) for fiscal year  
20 2006 (as such paragraphs were in ef-  
21 fect for such fiscal year) if paragraph  
22 (2) (as so in effect) had been applied  
23 by substituting ‘66 $\frac{2}{3}$  percent’ for ‘50  
24 percent’; and

1                   “(II) for each of the fiscal years  
2                   2008 and 2009, exceed by more than  
3                   5 percent the amount of the grant  
4                   pursuant to this paragraph and para-  
5                   graph (4) for the area for the pre-  
6                   ceding fiscal year.

7                   “(ii) USE OF AMOUNTS INVOLVED.—  
8                   For each of the fiscal years 2007 through  
9                   2010, amounts available as a result of the  
10                  limitation under clause (i) shall be made  
11                  available by the Secretary as additional  
12                  amounts for grants pursuant to subsection  
13                  (b) for the fiscal year involved, subject to  
14                  paragraph (4) and section 2610(d)(2).”.

15               (d) HOLD HARMLESS.—Section 2603(a) of the Pub-  
16               lic Health Service Act (42 U.S.C. 300ff-13(a)) is amend-  
17               ed—

18               (1) in paragraph (3)(A)—

19                   (A) in clause (ii), by striking the period at  
20                   the end and inserting a semicolon; and

21                   (B) by inserting after and below clause (ii)  
22                   the following:

23                   “which product shall then, as applicable, be in-  
24                   creased under paragraph (4).”.

1           (2) by amending paragraph (4) to read as fol-  
2       lows:

3           “(4) INCREASES IN GRANT.—

4                   “(A) IN GENERAL.—For each eligible area  
5       that received a grant pursuant to this sub-  
6       section for fiscal year 2006, the Secretary shall,  
7       for each of the fiscal years 2007 through 2009,  
8       increase the amount of the grant made pursu-  
9       ant to paragraph (3) for the area to ensure that  
10      the amount of the grant for the fiscal year in-  
11      volved is not less than the following amount, as  
12      applicable to such fiscal year:

13                   “(i) For fiscal year 2007, an amount  
14      equal to 95 percent of the amount of the  
15      grant that would have been made pursuant  
16      to paragraph (3) and this paragraph for  
17      fiscal year 2006 (as such paragraphs were  
18      in effect for such fiscal year) if paragraph  
19      (2) (as so in effect) had been applied by  
20      substituting ‘66 $\frac{2}{3}$  percent’ for ‘50 per-  
21      cent’.

22                   “(ii) For each of the fiscal years 2008  
23      and 2009, an amount equal to 95 percent  
24      of the amount of the grant made pursuant

1 to paragraph (3) and this paragraph for  
2 the preceding fiscal year.

3 “(B) SOURCE OF FUNDS FOR INCREASE.—

4 “(i) IN GENERAL.—From the  
5 amounts available for carrying out the sin-  
6 gle program referred to in section  
7 2609(d)(2)(C) for a fiscal year (relating to  
8 supplemental grants), the Secretary shall  
9 make available such amounts as may be  
10 necessary to comply with subparagraph  
11 (A), subject to section 2610(d)(2).

12 “(ii) PRO RATA REDUCTION.—If the  
13 amounts referred to in clause (i) for a fis-  
14 cal year are insufficient to fully comply  
15 with subparagraph (A) for the year, the  
16 Secretary, in order to provide the addi-  
17 tional funds necessary for such compliance,  
18 shall reduce on a pro rata basis the  
19 amount of each grant pursuant to this sub-  
20 section for the fiscal year, other than  
21 grants for eligible areas for which in-  
22 creases under subparagraph (A) apply. A  
23 reduction under the preceding sentence  
24 may not be made in an amount that would



1 result in the eligible area involved becom-  
2 ing eligible for such an increase.

3 “(C) LIMITATION.—This paragraph may  
4 not be construed as having any applicability  
5 after fiscal year 2009.”.

6 **SEC. 103. TYPE AND DISTRIBUTION OF GRANTS; SUPPLE-**  
7 **MENTAL GRANTS.**

8 Section 2603(b) of the Public Health Service Act (42  
9 U.S.C. 300ff-13(b)) is amended—

10 (1) in paragraph (1)—

11 (A) in the matter preceding subparagraph  
12 (A), by striking “Not later than” and all that  
13 follows through “the Secretary shall” and in-  
14 serting the following: “Subject to subsection  
15 (a)(4)(B)(i) and section 2610(d), the Secretary  
16 shall”;

17 (B) in subparagraph (B), by striking  
18 “demonstrates the severe need in such area”  
19 and inserting “demonstrates the need in such  
20 area, on an objective and quantified basis,”;

21 (C) by striking subparagraph (F) and in-  
22 serting the following:

23 “(F) demonstrates the inclusiveness of af-  
24 fected communities and individuals with HIV/  
25 AIDS;”;

1 (D) in subparagraph (G), by striking the  
2 period and inserting “; and”; and

3 (E) by adding at the end the following:

4 “(H) demonstrates the ability of the appli-  
5 cant to expend funds efficiently by not having  
6 had, for the most recent grant year under sub-  
7 section (a) for which data is available, more  
8 than 2 percent of grant funds under such sub-  
9 section canceled or covered by any waivers  
10 under subsection (c)(3).”; and

11 (2) in paragraph (2)—

12 (A) in subparagraph (A), by striking “se-  
13 vere need” and inserting “demonstrated need”;

14 (B) by striking subparagraph (B) and in-  
15 serting the following:

16 “(B) DEMONSTRATED NEED.—The factors  
17 considered by the Secretary in determining  
18 whether an eligible area has a demonstrated  
19 need for purposes of paragraph (1)(B) may in-  
20 clude any or all of the following:

21 “(i) The unmet need for such services,  
22 as determined under section 2602(b)(4) or  
23 other community input process as defined  
24 under section 2609(d)(1)(A).

1           “(ii) An increasing need for HIV/  
2           AIDS-related services, including relative  
3           rates of increase in the number of cases of  
4           HIV/AIDS.

5           “(iii) The relative rates of increase in  
6           the number of cases of HIV/AIDS within  
7           new or emerging subpopulations.

8           “(iv) The current prevalence of HIV/  
9           AIDS.

10          “(v) Relevant factors related to the  
11          cost and complexity of delivering health  
12          care to individuals with HIV/AIDS in the  
13          eligible area.

14          “(vi) The impact of co-morbid factors,  
15          including co-occurring conditions, deter-  
16          mined relevant by the Secretary.

17          “(vii) The prevalence of homelessness.

18          “(viii) The prevalence of individuals  
19          described under section 2602(b)(2)(M).

20          “(ix) The relevant factors that limit  
21          access to health care, including geographic  
22          variation, adequacy of health insurance  
23          coverage, and language barriers.

24          “(x) The impact of a decline in the  
25          amount received pursuant to subsection (a)

1 on services available to all individuals with  
2 HIV/AIDS identified and eligible under  
3 this title.”; and

4 (C) by striking subparagraphs (C) and (D)  
5 and inserting the following:

6 “(C) PRIORITY IN MAKING GRANTS.—The  
7 Secretary shall provide funds under this sub-  
8 section to an eligible area to address the decline  
9 in services related to the decline in the amounts  
10 received pursuant to subsection (a) consistent  
11 with the grant award for the eligible area for  
12 fiscal year 2006, to the extent that the factor  
13 under subparagraph (B)(x) (relating to a de-  
14 cline in funding) applies to the eligible area.”.

15 **SEC. 104. TIMEFRAME FOR OBLIGATION AND EXPENDI-**  
16 **TURE OF GRANT FUNDS.**

17 Section 2603 of the Public Health Service Act (42  
18 U.S.C. 300ff–13) is amended—

19 (1) by redesignating subsection (c) as sub-  
20 section (d); and

21 (2) by inserting after subsection (b) the fol-  
22 lowing:

23 “(c) TIMEFRAME FOR OBLIGATION AND EXPENDI-  
24 TURE OF GRANT FUNDS.—

1           “(1) OBLIGATION BY END OF GRANT YEAR.—  
2       Effective for fiscal year 2007 and subsequent fiscal  
3       years, funds from a grant award made pursuant to  
4       subsection (a) or (b) for a fiscal year are available  
5       for obligation by the eligible area involved through  
6       the end of the one-year period beginning on the date  
7       in such fiscal year on which funds from the award  
8       first become available to the area (referred to in this  
9       subsection as the ‘grant year for the award’), except  
10      as provided in paragraph (3)(A).

11           “(2) SUPPLEMENTAL GRANTS; CANCELLATION  
12      OF UNOBLIGATED BALANCE OF GRANT AWARD.—Ef-  
13      fective for fiscal year 2007 and subsequent fiscal  
14      years, if a grant award made pursuant to subsection  
15      (b) for an eligible area for a fiscal year has an unob-  
16      ligated balance as of the end of the grant year for  
17      the award—

18           “(A) the Secretary shall cancel that unobli-  
19      gated balance of the award, and shall require  
20      the eligible area to return any amounts from  
21      such balance that have been disbursed to the  
22      area; and

23           “(B) the funds involved shall be made  
24      available by the Secretary as additional  
25      amounts for grants pursuant to subsection (b)

1           for the first fiscal year beginning after the fis-  
2           cal year in which the Secretary obtains the in-  
3           formation necessary for determining that the  
4           balance is required under subparagraph (A) to  
5           be canceled, except that the availability of the  
6           funds for such grants is subject to subsection  
7           (a)(4) and section 2610(d)(2) as applied for  
8           such year.

9           “(3) FORMULA GRANTS; CANCELLATION OF UN-  
10          OBLIGATED BALANCE OF GRANT AWARD; WAIVER  
11          PERMITTING CARRYOVER.—

12                 “(A) IN GENERAL.—Effective for fiscal  
13          year 2007 and subsequent fiscal years, if a  
14          grant award made pursuant to subsection (a)  
15          for an eligible area for a fiscal year has an un-  
16          obligated balance as of the end of the grant  
17          year for the award, the Secretary shall cancel  
18          that unobligated balance of the award, and  
19          shall require the eligible area to return any  
20          amounts from such balance that have been dis-  
21          bursed to the area, unless—

22                 “(i) before the end of the grant year,  
23          the chief executive officer of the area sub-  
24          mits to the Secretary a written application  
25          for a waiver of the cancellation, which ap-

1           plication includes a description of the pur-  
2           poses for which the area intends to expend  
3           the funds involved; and

4           “(ii) the Secretary approves the waiv-  
5           er.

6           “(B) EXPENDITURE BY END OF CARRY-  
7           OVER YEAR.—With respect to a waiver under  
8           subparagraph (A) that is approved for a bal-  
9           ance that is unobligated as of the end of a  
10          grant year for an award:

11          “(i) The unobligated funds are avail-  
12          able for expenditure by the eligible area in-  
13          volved for the one-year period beginning  
14          upon the expiration of the grant year (re-  
15          ferred to in this subsection as the ‘carry-  
16          over year’).

17          “(ii) If the funds are not expended by  
18          the end of the carryover year, the Sec-  
19          retary shall cancel that unexpended bal-  
20          ance of the award, and shall require the el-  
21          igible area to return any amounts from  
22          such balance that have been disbursed to  
23          the area.

24          “(C) USE OF CANCELLED BALANCES.—In  
25          the case of any balance of a grant award that

1 is cancelled under subparagraph (A) or (B)(ii),  
2 the grant funds involved shall be made available  
3 by the Secretary as additional amounts for  
4 grants pursuant to subsection (b) for the first  
5 fiscal year beginning after the fiscal year in  
6 which the Secretary obtains the information  
7 necessary for determining that the balance is  
8 required under such subparagraph to be can-  
9 celed, except that the availability of the funds  
10 for such grants is subject to subsection (a)(4)  
11 and section 2610(d)(2) as applied for such  
12 year.

13 “(D) CORRESPONDING REDUCTION IN FU-  
14 TURE GRANT.—

15 “(i) IN GENERAL.—In the case of an  
16 eligible area for which a balance from a  
17 grant award under subsection (a) is unobli-  
18 gated as of the end of the grant year for  
19 the award—

20 “(I) the Secretary shall reduce,  
21 by the same amount as such unobli-  
22 gated balance, the amount of the  
23 grant under such subsection for the  
24 first fiscal year beginning after the  
25 fiscal year in which the Secretary ob-



1           tains the information necessary for  
2           determining that such balance was  
3           unobligated as of the end of the grant  
4           year (which requirement for a reduc-  
5           tion applies without regard to whether  
6           a waiver under subparagraph (A) has  
7           been approved with respect to such  
8           balance); and

9                     “(II) the grant funds involved in  
10           such reduction shall be made available  
11           by the Secretary as additional funds  
12           for grants pursuant to subsection (b)  
13           for such first fiscal year, subject to  
14           subsection (a)(4) and section  
15           2610(d)(2);

16           except that this clause does not apply to  
17           the eligible area if the amount of the unob-  
18           ligated balance was 2 percent or less.

19                     “(ii) RELATION TO INCREASES IN  
20           GRANT.—A reduction under clause (i) for  
21           an eligible area for a fiscal year may not  
22           be taken into account in applying sub-  
23           section (a)(4) with respect to the area for  
24           the subsequent fiscal year.”.

1 **SEC. 105. USE OF AMOUNTS.**

2 Section 2604 of the Public Health Service Act (42  
3 U.S.C. 300ff–14) is amended to read as follows:

4 **“SEC. 2604. USE OF AMOUNTS.**

5 “(a) **REQUIREMENTS.**—The Secretary may not make  
6 a grant under section 2601(a) to the chief elected official  
7 of an eligible area unless such political subdivision agrees  
8 that—

9 “(1) subject to paragraph (2), the allocation of  
10 funds and services within the eligible area will be  
11 made in accordance with the priorities established,  
12 pursuant to section 2602(b)(4)(C), by the HIV  
13 health services planning council that serves such eli-  
14 gible area;

15 “(2) funds provided under section 2601 will be  
16 expended only for—

17 “(A) core medical services described in  
18 subsection (c);

19 “(B) support services described in sub-  
20 section (d); and

21 “(C) administrative expenses described in  
22 subsection (h); and

23 “(3) the use of such funds will comply with the  
24 requirements of this section.

25 “(b) **DIRECT FINANCIAL ASSISTANCE TO APPRO-**  
26 **PRIATE ENTITIES.**—

1           “(1) IN GENERAL.—The chief elected official of  
2           an eligible area shall use amounts from a grant  
3           under section 2601 to provide direct financial assist-  
4           ance to entities described in paragraph (2) for the  
5           purpose of providing core medical services and sup-  
6           port services.

7           “(2) APPROPRIATE ENTITIES.—Direct financial  
8           assistance may be provided under paragraph (1) to  
9           public or nonprofit private entities, or private for-  
10          profit entities if such entities are the only available  
11          provider of quality HIV care in the area.

12          “(c) REQUIRED FUNDING FOR CORE MEDICAL SERV-  
13          ICES.—

14               “(1) IN GENERAL.—With respect to a grant  
15               under section 2601 for an eligible area for a grant  
16               year, the chief elected official of the area shall, of  
17               the portion of the grant remaining after reserving  
18               amounts for purposes of paragraphs (1) and  
19               (5)(B)(i) of subsection (h), use not less than 75 per-  
20               cent to provide core medical services that are needed  
21               in the eligible area for individuals with HIV/AIDS  
22               who are identified and eligible under this title (in-  
23               cluding services regarding the co-occurring condi-  
24               tions of the individuals).

25               “(2) WAIVER.—

1           “(A) IN GENERAL.—The Secretary shall  
2           waive the application of paragraph (1) with re-  
3           spect to a chief elected official for a grant year  
4           if the Secretary determines that, within the eli-  
5           gible area involved—

6                   “(i) there are no waiting lists for  
7                   AIDS Drug Assistance Program services  
8                   under section 2616; and

9                   “(ii) core medical services are avail-  
10                  able to all individuals with HIV/AIDS  
11                  identified and eligible under this title.

12           “(B) NOTIFICATION OF WAIVER STATUS.—  
13           When informing the chief elected official of an  
14           eligible area that a grant under section 2601 is  
15           being made for the area for a grant year, the  
16           Secretary shall inform the official whether a  
17           waiver under subparagraph (A) is in effect for  
18           such year.

19           “(3) CORE MEDICAL SERVICES.—For purposes  
20           of this subsection, the term ‘core medical services’,  
21           with respect to an individual with HIV/AIDS (in-  
22           cluding the co-occurring conditions of the indi-  
23           vidual), means the following services:

24                   “(A) Outpatient and ambulatory health  
25                   services.

1                   “(B) AIDS Drug Assistance Program  
2                   treatments in accordance with section 2616.

3                   “(C) AIDS pharmaceutical assistance.

4                   “(D) Oral health care.

5                   “(E) Early intervention services described  
6                   in subsection (e).

7                   “(F) Health insurance premium and cost  
8                   sharing assistance for low-income individuals in  
9                   accordance with section 2615.

10                  “(G) Home health care.

11                  “(H) Medical nutrition therapy.

12                  “(I) Hospice services.

13                  “(J) Home and community-based health  
14                  services as defined under section 2614(c).

15                  “(K) Mental health services.

16                  “(L) Substance abuse outpatient care.

17                  “(M) Medical case management, including  
18                  treatment adherence services.

19                  “(d) SUPPORT SERVICES.—

20                  “(1) IN GENERAL.—For purposes of this sec-  
21                  tion, the term ‘support services’ means services, sub-  
22                  ject to the approval of the Secretary, that are need-  
23                  ed for individuals with HIV/AIDS to achieve their  
24                  medical outcomes (such as respite care for persons  
25                  caring for individuals with HIV/AIDS, outreach

1 services, medical transportation, linguistic services,  
2 and referrals for health care and support services).

3 “(2) MEDICAL OUTCOMES.—In this subsection,  
4 the term ‘medical outcomes’ means those outcomes  
5 affecting the HIV-related clinical status of an indi-  
6 vidual with HIV/AIDS.

7 “(e) EARLY INTERVENTION SERVICES.—

8 “(1) IN GENERAL.—For purposes of this sec-  
9 tion, the term ‘early intervention services’ means  
10 HIV/AIDS early intervention services described in  
11 section 2651(e), with follow-up referral provided for  
12 the purpose of facilitating the access of individuals  
13 receiving the services to HIV-related health services.  
14 The entities through which such services may be  
15 provided under the grant include public health de-  
16 partments, emergency rooms, substance abuse and  
17 mental health treatment programs, detoxification  
18 centers, detention facilities, clinics regarding sexu-  
19 ally transmitted diseases, homeless shelters, HIV/  
20 AIDS counseling and testing sites, health care  
21 points of entry specified by eligible areas, federally  
22 qualified health centers, and entities described in  
23 section 2652(a) that constitute a point of access to  
24 services by maintaining referral relationships.

1           “(2) CONDITIONS.—With respect to an entity  
2           that proposes to provide early intervention services  
3           under paragraph (1), such paragraph shall apply  
4           only if the entity demonstrates to the satisfaction of  
5           the chief elected official for the eligible area involved  
6           that—

7                   “(A) Federal, State, or local funds are oth-  
8                   erwise inadequate for the early intervention  
9                   services the entity proposes to provide; and

10                   “(B) the entity will expend funds pursuant  
11                   to such paragraph to supplement and not sup-  
12                   plant other funds available to the entity for the  
13                   provision of early intervention services for the  
14                   fiscal year involved.

15           “(f) PRIORITY FOR WOMEN, INFANTS, CHILDREN,  
16   AND YOUTH.—

17                   “(1) IN GENERAL.—For the purpose of pro-  
18                   viding health and support services to infants, chil-  
19                   dren, youth, and women with HIV/AIDS, including  
20                   treatment measures to prevent the perinatal trans-  
21                   mission of HIV, the chief elected official of an eligi-  
22                   ble area, in accordance with the established priorities  
23                   of the planning council, shall for each of such popu-  
24                   lations in the eligible area use, from the grants made  
25                   for the area under section 2601(a) for a fiscal year,

1 not less than the percentage constituted by the ratio  
2 of the population involved (infants, children, youth,  
3 or women in such area) with HIV/AIDS to the gen-  
4 eral population in such area of individuals with HIV/  
5 AIDS.

6 “(2) WAIVER.—With respect to the population  
7 involved, the Secretary may provide to the chief  
8 elected official of an eligible area a waiver of the re-  
9 quirement of paragraph (1) if such official dem-  
10 onstrates to the satisfaction of the Secretary that  
11 the population is receiving HIV-related health serv-  
12 ices through the State medicaid program under title  
13 XIX of the Social Security Act, the State children’s  
14 health insurance program under title XXI of such  
15 Act, or other Federal or State programs.

16 “(g) REQUIREMENT OF STATUS AS MEDICAID PRO-  
17 VIDER.—

18 “(1) PROVISION OF SERVICE.—Subject to para-  
19 graph (2), the Secretary may not make a grant  
20 under section 2601(a) for the provision of services  
21 under this section in a State unless, in the case of  
22 any such service that is available pursuant to the  
23 State plan approved under title XIX of the Social  
24 Security Act for the State—



1           “(A) the political subdivision involved will  
2           provide the service directly, and the political  
3           subdivision has entered into a participation  
4           agreement under the State plan and is qualified  
5           to receive payments under such plan; or

6           “(B) the political subdivision will enter  
7           into an agreement with a public or nonprofit  
8           private entity under which the entity will pro-  
9           vide the service, and the entity has entered into  
10          such a participation agreement and is qualified  
11          to receive such payments.

12          “(2) WAIVER.—

13                 “(A) IN GENERAL.—In the case of an enti-  
14                 ty making an agreement pursuant to paragraph  
15                 (1)(B) regarding the provision of services, the  
16                 requirement established in such paragraph shall  
17                 be waived by the HIV health services planning  
18                 council for the eligible area if the entity does  
19                 not, in providing health care services, impose a  
20                 charge or accept reimbursement available from  
21                 any third-party payor, including reimbursement  
22                 under any insurance policy or under any Fed-  
23                 eral or State health benefits program.

24                 “(B) DETERMINATION.—A determination  
25                 by the HIV health services planning council of

1           whether an entity referred to in subparagraph  
2           (A) meets the criteria for a waiver under such  
3           subparagraph shall be made without regard to  
4           whether the entity accepts voluntary donations  
5           for the purpose of providing services to the pub-  
6           lic.

7           “(h) ADMINISTRATION.—

8           “(1) LIMITATION.—The chief executive officer  
9           of an eligible area shall not use in excess of 10 per-  
10          cent of amounts received under a grant under this  
11          part for administrative expenses.

12          “(2) ALLOCATIONS BY CHIEF EXECUTIVE OFFI-  
13          CER.—In the case of entities and subcontractors to  
14          which the chief executive officer of an eligible area  
15          allocates amounts received by the officer under a  
16          grant under this part, the officer shall ensure that,  
17          of the aggregate amount so allocated, the total of  
18          the expenditures by such entities for administrative  
19          expenses does not exceed 10 percent (without regard  
20          to whether particular entities expend more than 10  
21          percent for such expenses).

22          “(3) ADMINISTRATIVE ACTIVITIES.—For pur-  
23          poses of paragraph (1), amounts may be used for  
24          administrative activities that include—

1           “(A) routine grant administration and  
2           monitoring activities, including the development  
3           of applications for part A funds, the receipt and  
4           disbursal of program funds, the development  
5           and establishment of reimbursement and ac-  
6           counting systems, the development of a clinical  
7           quality management program as described in  
8           paragraph (5), the preparation of routine pro-  
9           grammatic and financial reports, and compli-  
10          ance with grant conditions and audit require-  
11          ments; and

12          “(B) all activities associated with the  
13          grantee’s contract award procedures, including  
14          the activities carried out by the HIV health  
15          services planning council as established under  
16          section 2602(b), the development of requests  
17          for proposals, contract proposal review activi-  
18          ties, negotiation and awarding of contracts,  
19          monitoring of contracts through telephone con-  
20          sultation, written documentation or onsite vis-  
21          its, reporting on contracts, and funding re-  
22          allocation activities.

23          “(4) SUBCONTRACTOR ADMINISTRATIVE ACTIVI-  
24          TIES.—For the purposes of this subsection, subcon-  
25          tractor administrative activities include—

1           “(A) usual and recognized overhead activi-  
2           ties, including established indirect rates for  
3           agencies;

4           “(B) management oversight of specific pro-  
5           grams funded under this title; and

6           “(C) other types of program support such  
7           as quality assurance, quality control, and re-  
8           lated activities.

9           “(5) CLINICAL QUALITY MANAGEMENT.—

10           “(A) REQUIREMENT.—The chief elected  
11           official of an eligible area that receives a grant  
12           under this part shall provide for the establish-  
13           ment of a clinical quality management program  
14           to assess the extent to which HIV health serv-  
15           ices provided to patients under the grant are  
16           consistent with the most recent Public Health  
17           Service guidelines for the treatment of HIV/  
18           AIDS and related opportunistic infection, and  
19           as applicable, to develop strategies for ensuring  
20           that such services are consistent with the guide-  
21           lines for improvement in the access to and qual-  
22           ity of HIV health services.

23           “(B) USE OF FUNDS.—

24           “(i) IN GENERAL.—From amounts re-  
25           ceived under a grant awarded under this

1 subpart for a fiscal year, the chief elected  
2 official of an eligible area may use for ac-  
3 tivities associated with the clinical quality  
4 management program required in subpara-  
5 graph (A) not to exceed the lesser of—

6 “(I) 5 percent of amounts re-  
7 ceived under the grant; or

8 “(II) \$3,000,000.

9 “(ii) RELATION TO LIMITATION ON  
10 ADMINISTRATIVE EXPENSES.—The costs of  
11 a clinical quality management program  
12 under subparagraph (A) may not be con-  
13 sidered administrative expenses for pur-  
14 poses of the limitation established in para-  
15 graph (1).

16 “(i) CONSTRUCTION.—A chief elected official may  
17 not use amounts received under a grant awarded under  
18 this part to purchase or improve land, or to purchase, con-  
19 struct, or permanently improve (other than minor remod-  
20 eling) any building or other facility, or to make cash pay-  
21 ments to intended recipients of services.”.

22 **SEC. 106. ADDITIONAL AMENDMENTS TO PART A.**

23 (a) REPORTING OF CASES.—Section 2601(a) of the  
24 Public Health Service Act (42 U.S.C. 300ff-11(a)) is

1 amended by striking “for the most recent period” and in-  
2 serting “during the most recent period”.

3 (b) PLANNING COUNCIL REPRESENTATION.—Section  
4 2602(b)(2)(G) of the Public Health Service Act (42  
5 U.S.C. 300ff-12(b)(2)(G)) is amended by inserting “,  
6 members of a Federally recognized Indian tribe as rep-  
7 resented in the population, individuals co-infected with  
8 hepatitis B or C” after “disease”.

9 (c) APPLICATION FOR GRANT.—

10 (1) PAYER OF LAST RESORT.—Section  
11 2605(a)(6)(A) of the Public Health Service Act (42  
12 U.S.C. 300ff-15(a)(6)(A)) is amended by inserting  
13 “(except for a program administered by or providing  
14 the services of the Indian Health Service)” before  
15 the semicolon.

16 (2) AUDITS.—Section 2605(a) of the Public  
17 Health Service Act (42 U.S.C. 300ff-15(a)) is  
18 amended—

19 (A) in paragraph (8), by striking “and” at  
20 the end;

21 (B) in paragraph (9), by striking the pe-  
22 riod and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(10) that the chief elected official will submit  
25 to the lead State agency under section 2617(b)(4),

1 audits, consistent with Office of Management and  
2 Budget circular A133, regarding funds expended in  
3 accordance with this part every 2 years and shall in-  
4 clude necessary client-based data to compile unmet  
5 need calculations and Statewide coordinated state-  
6 ments of need process.”.

7 (3) COORDINATION.—Section 2605(b) of the  
8 Public Health Service Act (42 U.S.C. 300ff-15(b)) is  
9 amended—

10 (A) in paragraph (3), by striking “and” at  
11 the end;

12 (B) in paragraph (4), by striking the pe-  
13 riod and inserting a semicolon; and

14 (C) by adding at the end the following:

15 “(5) the manner in which the expected expendi-  
16 tures are related to the planning process for States  
17 that receive funding under part B (including the  
18 planning process described in section 2617(b)); and

19 “(6) the expected expenditures and how those  
20 expenditures will improve overall client outcomes, as  
21 described under the State plan under section  
22 2617(b), and through additional outcomes measures  
23 as identified by the HIV health services planning  
24 council under section 2602(b).”.

1 **SEC. 107. NEW PROGRAM IN PART A; TRANSITIONAL**  
2 **GRANTS FOR CERTAIN AREAS INELIGIBLE**  
3 **UNDER SECTION 2601.**

4 (a) IN GENERAL.—Part A of title XXVI of the Public  
5 Health Service Act (42 U.S.C. 300ff-11) is amended—

6 (1) by inserting after the part heading the fol-  
7 lowing:

8 **“Subpart I—General Grant Provisions”; and**

9 (2) by adding at the end the following:

10 **“Subpart II—Transitional Grants**

11 **“SEC. 2609. ESTABLISHMENT OF PROGRAM.**

12 “(a) IN GENERAL.—The Secretary, acting through  
13 the Administrator of the Health Resources and Services  
14 Administration, shall make grants for the purpose of pro-  
15 viding services described in section 2604 in transitional  
16 areas, subject to the same provisions regarding the alloca-  
17 tion of grant funds as apply under subsection (c) of such  
18 section.

19 “(b) TRANSITIONAL AREAS.—For purposes of this  
20 section, the term ‘transitional area’ means, subject to sub-  
21 section (c), a metropolitan area for which there has been  
22 reported to and confirmed by the Director of the Centers  
23 for Disease Control and Prevention a cumulative total of  
24 at least 1,000, but fewer than 2,000, cases of AIDS dur-  
25 ing the most recent period of 5 calendar years for which  
26 such data are available.



1 “(c) CERTAIN ELIGIBILITY RULES.—

2 “(1) FISCAL YEAR 2007.—With respect to  
3 grants under subsection (a) for fiscal year 2007, a  
4 metropolitan area that received funding under sub-  
5 part I for fiscal year 2006 but does not for fiscal  
6 year 2007 qualify under such subpart as an eligible  
7 area and does not qualify under subsection (b) as a  
8 transitional area shall, notwithstanding subsection  
9 (b), be considered a transitional area.

10 “(2) CONTINUED STATUS AS TRANSITIONAL  
11 AREA.—

12 “(A) IN GENERAL.—Notwithstanding sub-  
13 section (b), a metropolitan area that is a transi-  
14 tional area for a fiscal year continues, except as  
15 provided in subparagraph (B), to be a transi-  
16 tional area until the metropolitan area fails, for  
17 three consecutive fiscal years—

18 “(i) to qualify under such subsection  
19 as a transitional area; and

20 “(ii) to have a cumulative total of  
21 1,500 or more living cases of AIDS (re-  
22 ported to and confirmed by the Director of  
23 the Centers for Disease Control and Pre-  
24 vention) as of December 31 of the most re-

1 cent calendar year for which such data is  
2 available.

3 “(B) EXCEPTION REGARDING STATUS AS  
4 ELIGIBLE AREA.—Subparagraph (A) does not  
5 apply for a fiscal year if the metropolitan area  
6 involved qualifies under subpart I as an eligible  
7 area.

8 “(d) APPLICATION OF CERTAIN PROVISIONS OF SUB-  
9 PART I.—

10 “(1) ADMINISTRATION; PLANNING COUNCIL.—

11 “(A) IN GENERAL.—The provisions of sec-  
12 tion 2602 apply with respect to a grant under  
13 subsection (a) for a transitional area to the  
14 same extent and in the same manner as such  
15 provisions apply with respect to a grant under  
16 subpart I for an eligible area, except that, sub-  
17 ject to subparagraph (B), the chief elected offi-  
18 cial of the transitional area may elect not to  
19 comply with the provisions of section 2602(b) if  
20 the official provides documentation to the Sec-  
21 retary that details the process used to obtain  
22 community input (particularly from those with  
23 HIV) in the transitional area for formulating  
24 the overall plan for priority setting and allo-

1           cating funds from the grant under subsection  
2           (a).

3           “(B) EXCEPTION.—For each of the fiscal  
4           years 2007 through 2009, the exception de-  
5           scribed in subparagraph (A) does not apply if  
6           the transitional area involved received funding  
7           under subpart I for fiscal year 2006.

8           “(2) TYPE AND DISTRIBUTION OF GRANTS;  
9           TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF  
10          GRANT FUNDS.—

11          “(A) FORMULA GRANTS; SUPPLEMENTAL  
12          GRANTS.—The provisions of section 2603 apply  
13          with respect to grants under subsection (a) to  
14          the same extent and in the same manner as  
15          such provisions apply with respect to grants  
16          under subpart I, subject to subparagraphs (B)  
17          and (C).

18          “(B) FORMULA GRANTS; INCREASE IN  
19          GRANT.—For purposes of subparagraph (A),  
20          section 2603(a)(4) does not apply.

21          “(C) SUPPLEMENTAL GRANTS; SINGLE  
22          PROGRAM WITH SUBPART I PROGRAM.—With  
23          respect to section 2603(b) as applied for pur-  
24          poses of subparagraph (A):

1                   “(i) The Secretary shall combine  
2                   amounts available pursuant to such sub-  
3                   paragraph with amounts available for car-  
4                   rying out section 2603(b) and shall admin-  
5                   ister the two programs as a single pro-  
6                   gram.

7                   “(ii) In the single program, the Sec-  
8                   retary has discretion in allocating amounts  
9                   between eligible areas under subpart I and  
10                  transitional areas under this section, sub-  
11                  ject to the eligibility criteria that apply  
12                  under such section, and subject to section  
13                  2603(b)(2)(C) (relating to priority in mak-  
14                  ing grants).

15                  “(iii) Pursuant to section 2603(b)(1),  
16                  amounts for the single program are subject  
17                  to use under sections 2603(a)(4) and  
18                  2610(d)(1).

19                  “(3) APPLICATION; TECHNICAL ASSISTANCE;  
20                  DEFINITIONS.—The provisions of sections 2605,  
21                  2606, and 2607 apply with respect to grants under  
22                  subsection (a) to the same extent and in the same  
23                  manner as such provisions apply with respect to  
24                  grants under subpart I.”.

1 (b) CONFORMING AMENDMENTS.—Subpart I of part  
2 A of title XXVI of the Public Health Service Act, as des-  
3 ignated by subsection (a)(1) of this section, is amended  
4 by striking “this part” each place such term appears and  
5 inserting “this subpart”.

6 **SEC. 108. AUTHORIZATION OF APPROPRIATIONS FOR PART**

7 **A.**

8 Part A of title XXVI of the Public Health Service  
9 Act, as amended by section 106(a), is amended by adding  
10 at the end the following:

11 **“Subpart III—General Provisions**

12 **“SEC. 2610. AUTHORIZATION OF APPROPRIATIONS.**

13 “(a) IN GENERAL.—For the purpose of carrying out  
14 this part, there are authorized to be appropriated  
15 \$604,000,000 for fiscal year 2007, \$626,300,000 for fis-  
16 cal year 2008, \$649,500,000 for fiscal year 2009,  
17 \$673,600,000 for fiscal year 2010, and \$698,500,000 for  
18 fiscal year 2011. Amounts appropriated under the pre-  
19 ceding sentence for a fiscal year are available for obliga-  
20 tion by the Secretary until the end of the second suc-  
21 ceeding fiscal year.

22 “(b) RESERVATION OF AMOUNTS.—

23 “(1) FISCAL YEAR 2007.—Of the amount appro-  
24 priated under subsection (a) for fiscal year 2007,  
25 the Secretary shall reserve—

1                   “(A) \$458,310,000 for grants under sub-  
2                   part I; and

3                   “(B) \$145,690,000 for grants under sec-  
4                   tion 2609.

5                   “(2) SUBSEQUENT FISCAL YEARS.—Of the  
6                   amount appropriated under subsection (a) for fiscal  
7                   year 2008 and each subsequent fiscal year—

8                   “(A) the Secretary shall reserve an amount  
9                   for grants under subpart I; and

10                   “(B) the Secretary shall reserve an amount  
11                   for grants under section 2609.

12                   “(c) TRANSFER OF CERTAIN AMOUNTS; CHANGE IN  
13                   STATUS AS ELIGIBLE AREA OR TRANSITIONAL AREA.—  
14                   Notwithstanding subsection (b):

15                   “(1) If a metropolitan area is an eligible area  
16                   under subpart I for a fiscal year, but for a subse-  
17                   quent fiscal year ceases to be an eligible area by rea-  
18                   son of section 2601(b)—

19                   “(A)(i) the amount reserved under para-  
20                   graph (1)(A) or (2)(A) of subsection (b) of this  
21                   section for the first such subsequent year of not  
22                   being an eligible area is deemed to be reduced  
23                   by an amount equal to the amount of the grant  
24                   made pursuant to section 2603(a) for the met-  
25                   ropolitan area for the preceding fiscal year; and

1           “(ii)(I) if the metropolitan area qualifies  
2           for such first subsequent fiscal year as a transi-  
3           tional area under 2609, the amount reserved  
4           under paragraph (1)(B) or (2)(B) of subsection  
5           (b) for such fiscal year is deemed to be in-  
6           creased by an amount equal to the amount of  
7           the reduction under subparagraph (A) for such  
8           year; or

9           “(II) if the metropolitan area does not  
10          qualify for such first subsequent fiscal year as  
11          a transitional area under 2609, an amount  
12          equal to the amount of such reduction is, not-  
13          withstanding subsection (a), transferred and  
14          made available for grants pursuant to section  
15          2618(a)(1), in addition to amounts available for  
16          such grants under section 2623; and

17          “(B) if a transfer under subparagraph  
18          (A)(ii)(II) is made with respect to the metro-  
19          politan area for such first subsequent fiscal  
20          year, then—

21                 “(i) the amount reserved under para-  
22                 graph (1)(A) or (2)(A) of subsection (b) of  
23                 this section for such year is deemed to be  
24                 reduced by an additional \$500,000; and

1                   “(ii) an amount equal to the amount  
2                   of such additional reduction is, notwith-  
3                   standing subsection (a), transferred and  
4                   made available for grants pursuant to sec-  
5                   tion 2618(a)(1), in addition to amounts  
6                   available for such grants under section  
7                   2623.

8                   “(2) If a metropolitan area is a transitional  
9                   area under section 2609 for a fiscal year, but for a  
10                  subsequent fiscal year ceases to be a transitional  
11                  area by reason of section 2609(c)(2) (and does not  
12                  qualify for such subsequent fiscal year as an eligible  
13                  area under subpart I)—

14                  “(A) the amount reserved under subsection  
15                  (b)(2)(B) of this section for the first such sub-  
16                  sequent fiscal year of not being a transitional  
17                  area is deemed to be reduced by an amount  
18                  equal to the total of—

19                  “(i) the amount of the grant that,  
20                  pursuant to section 2603(a), was made  
21                  under section 2609(d)(2)(A) for the metro-  
22                  politan area for the preceding fiscal year;  
23                  and

24                  “(ii) \$500,000; and



1           “(B) an amount equal to the amount of  
2           the reduction under subparagraph (A) for such  
3           year is, notwithstanding subsection (a), trans-  
4           ferred and made available for grants pursuant  
5           to section 2618(a)(1), in addition to amounts  
6           available for such grants under section 2623.

7           “(3) If a metropolitan area is a transitional  
8           area under section 2609 for a fiscal year, but for a  
9           subsequent fiscal year qualifies as an eligible area  
10          under subpart I—

11           “(A) the amount reserved under subsection  
12           (b)(2)(B) of this section for the first such sub-  
13           sequent fiscal year of becoming an eligible area  
14           is deemed to be reduced by an amount equal to  
15           the amount of the grant that, pursuant to sec-  
16           tion 2603(a), was made under section  
17           2609(d)(2)(A) for the metropolitan area for the  
18           preceding fiscal year; and

19           “(B) the amount reserved under subsection  
20           (b)(2)(A) for such fiscal year is deemed to be  
21           increased by an amount equal to the amount of  
22           the reduction under subparagraph (A) for such  
23           year.

24          “(d) CERTAIN TRANSFERS; ALLOCATIONS BETWEEN  
25          PROGRAMS UNDER SUBPART I.—With respect to para-

1 graphs (1)(B)(i) and (2)(A)(ii) of subsection (c), the Sec-  
2 retary shall administer any reductions under such para-  
3 graphs for a fiscal year in accordance with the following:

4 “(1) The reductions shall be made from  
5 amounts available for the single program referred to  
6 in section 2609(d)(2)(C) (relating to supplemental  
7 grants).

8 “(2) The reductions shall be made before the  
9 amounts referred to in paragraph (1) are used for  
10 purposes of section 2603(a)(4).

11 “(3) If the amounts referred to in paragraph  
12 (1) are not sufficient for making all the reductions,  
13 the reductions shall be reduced until the total  
14 amount of the reductions equals the total of the  
15 amounts referred to in such paragraph.

16 “(e) RULES OF CONSTRUCTION REGARDING FIRST  
17 SUBSEQUENT FISCAL YEAR.—Paragraphs (1) and (2) of  
18 subsection (c) apply with respect to each series of fiscal  
19 years during which a metropolitan area is an eligible area  
20 under subpart I or a transitional area under section 2609  
21 for a fiscal year and then for a subsequent fiscal year  
22 ceases to be such an area by reason of section 2601(b)  
23 or 2609(c)(2), respectively, rather than applying to a sin-  
24 gle such series. Paragraph (3) of subsection (c) applies  
25 with respect to each series of fiscal years during which

1 a metropolitan area is a transitional area under section  
2 2609 for a fiscal year and then for a subsequent fiscal  
3 year becomes an eligible area under subpart I, rather than  
4 applying to a single such series.”.

## 5 **TITLE II—CARE GRANTS**

### 6 **SEC. 201. GENERAL USE OF GRANTS.**

7 (a) IN GENERAL.—Section 2612 of the Public Health  
8 Service Act (42 U.S.C. 300ff–22) is amended to read as  
9 follows:

#### 10 **“SEC. 2612. GENERAL USE OF GRANTS.**

11 “(a) IN GENERAL.—A State may use amounts pro-  
12 vided under grants made under section 2611 for—

13 “(1) core medical services described in sub-  
14 section (b);

15 “(2) support services described in subsection  
16 (c); and

17 “(3) administrative expenses described in sec-  
18 tion 2618(b)(3).

19 “(b) REQUIRED FUNDING FOR CORE MEDICAL  
20 SERVICES.—

21 “(1) IN GENERAL.—With respect to a grant  
22 under section 2611 for a State for a grant year, the  
23 State shall, of the portion of the grant remaining  
24 after reserving amounts for purposes of subpara-  
25 graphs (A) and (E)(ii)(I) of section 2618(b)(3), use

1 not less than 75 percent to provide core medical  
2 services that are needed in the State for individuals  
3 with HIV/AIDS who are identified and eligible  
4 under this title (including services regarding the co-  
5 occurring conditions of the individuals).

6 “(2) WAIVER.—

7 “(A) IN GENERAL.—The Secretary shall  
8 waive the application of paragraph (1) with re-  
9 spect to a State for a grant year if the Sec-  
10 retary determines that, within the State—

11 “(i) there are no waiting lists for  
12 AIDS Drug Assistance Program services  
13 under section 2616; and

14 “(ii) core medical services are avail-  
15 able to all individuals with HIV/AIDS  
16 identified and eligible under this title.

17 “(B) NOTIFICATION OF WAIVER STATUS.—

18 When informing a State that a grant under sec-  
19 tion 2611 is being made to the State for a fis-  
20 cal year, the Secretary shall inform the State  
21 whether a waiver under subparagraph (A) is in  
22 effect for the fiscal year.

23 “(3) CORE MEDICAL SERVICES.—For purposes  
24 of this subsection, the term ‘core medical services’,  
25 with respect to an individual infected with HIV/

1       AIDS (including the co-occurring conditions of the  
2       individual) means the following services:

3               “(A) Outpatient and ambulatory health  
4       services.

5               “(B) AIDS Drug Assistance Program  
6       treatments in accordance with section 2616.

7               “(C) AIDS pharmaceutical assistance.

8               “(D) Oral health care.

9               “(E) Early intervention services described  
10      in subsection (d).

11              “(F) Health insurance premium and cost  
12      sharing assistance for low-income individuals in  
13      accordance with section 2615.

14              “(G) Home health care.

15              “(H) Medical nutrition therapy.

16              “(I) Hospice services.

17              “(J) Home and community-based health  
18      services as defined under section 2614(c).

19              “(K) Mental health services.

20              “(L) Substance abuse outpatient care.

21              “(M) Medical case management, including  
22      treatment adherence services.

23      “(c) SUPPORT SERVICES.—

24              “(1) IN GENERAL.—For purposes of this sub-  
25      section, the term ‘support services’ means services,

1 subject to the approval of the Secretary, that are  
2 needed for individuals with HIV/AIDS to achieve  
3 their medical outcomes (such as respite care for per-  
4 sons caring for individuals with HIV/AIDS, outreach  
5 services, medical transportation, linguistic services,  
6 and referrals for health care and support services).

7 “(2) DEFINITION OF MEDICAL OUTCOMES.—In  
8 this subsection, the term ‘medical outcomes’ means  
9 those outcomes affecting the HIV-related clinical  
10 status of an individual with HIV/AIDS.

11 “(d) EARLY INTERVENTION SERVICES.—

12 “(1) IN GENERAL.—For purposes of this sec-  
13 tion, the term ‘early intervention services’ means  
14 HIV/AIDS early intervention services described in  
15 section 2651(e), with follow-up referral provided for  
16 the purpose of facilitating the access of individuals  
17 receiving the services to HIV-related health services.  
18 The entities through which such services may be  
19 provided under the grant include public health de-  
20 partments, emergency rooms, substance abuse and  
21 mental health treatment programs, detoxification  
22 centers, detention facilities, clinics regarding sexu-  
23 ally transmitted diseases, homeless shelters, HIV/  
24 AIDS counseling and testing sites, health care  
25 points of entry specified by States, federally quali-

1       fied health centers, and entities described in section  
2       2652(a) that constitute a point of access to services  
3       by maintaining referral relationships.

4           “(2) CONDITIONS.—With respect to an entity  
5       that proposes to provide early intervention services  
6       under paragraph (1), such paragraph shall apply  
7       only if the entity demonstrates to the satisfaction of  
8       the chief elected official for the State involved that—

9           “(A) Federal, State, or local funds are oth-  
10       erwise inadequate for the early intervention  
11       services the entity proposes to provide; and

12           “(B) the entity will expend funds pursuant  
13       to such subparagraph to supplement and not  
14       supplant other funds available to the entity for  
15       the provision of early intervention services for  
16       the fiscal year involved.

17       “(e) PRIORITY FOR WOMEN, INFANTS, CHILDREN,  
18       AND YOUTH.—

19           “(1) IN GENERAL.—For the purpose of pro-  
20       viding health and support services to infants, chil-  
21       dren, youth, and women with HIV/AIDS, including  
22       treatment measures to prevent the perinatal trans-  
23       mission of HIV, a State shall for each of such popu-  
24       lations in the eligible area use, from the grants made  
25       for the area under section 2601(a) for a fiscal year,

1 not less than the percentage constituted by the ratio  
2 of the population involved (infants, children, youth,  
3 or women in such area) with HIV/AIDS to the gen-  
4 eral population in such area of individuals with HIV/  
5 AIDS.

6 “(2) WAIVER.—With respect to the population  
7 involved, the Secretary may provide to a State a  
8 waiver of the requirement of paragraph (1) if such  
9 State demonstrates to the satisfaction of the Sec-  
10 retary that the population is receiving HIV-related  
11 health services through the State medicaid program  
12 under title XIX of the Social Security Act, the State  
13 children’s health insurance program under title XXI  
14 of such Act, or other Federal or State programs.

15 “(f) CONSTRUCTION.—A State may not use amounts  
16 received under a grant awarded under section 2611 to  
17 purchase or improve land, or to purchase, construct, or  
18 permanently improve (other than minor remodeling) any  
19 building or other facility, or to make cash payments to  
20 intended recipients of services.”.

21 (b) HIV CARE CONSORTIA.—Section 2613 of the  
22 Public Health Service Act (42 U.S.C. 300ff-23) is amend-  
23 ed—

24 (1) in subsection (a), in the matter preceding  
25 paragraph (1)—



1 (A) by striking “may use” and inserting  
2 “may, subject to subsection (f), use”; and

3 (B) by striking “section 2612(a)(1)” and  
4 inserting “section 2612(a)”; and

5 (2) by adding at the end the following sub-  
6 section:

7 “(f) ALLOCATION OF FUNDS; TREATMENT AS SUP-  
8 PORT SERVICES.—For purposes of the requirement of sec-  
9 tion 2612(b)(1), expenditures of grants under section  
10 2611 for or through consortia under this section are  
11 deemed to be support services, not core medical services.  
12 The preceding sentence may not be construed as having  
13 any legal effect on the provisions of subsection (a) that  
14 relate to authorized expenditures of the grant.”.

15 (c) TECHNICAL AMENDMENTS.—Part B of title  
16 XXVI of the Public Health Service Act (42 U.S.C. 300ff-  
17 21 et seq.) is amended—

18 (1) in section 2611—

19 (A) in subsection (a), by striking the sub-  
20 section designation and heading; and

21 (B) by striking subsection (b);

22 (2) in section 2614—

23 (A) in subsection (a), in the matter pre-  
24 ceding paragraph (1), by striking “section

1           2612(a)(2)” and inserting “section  
2           2612(b)(3)(J)”;

3                   (B) in subsection (c)(2)(B), by striking  
4           “homemaker or”;

5           (3) in section 2615(a) by striking “section  
6           2612(a)(3)” and inserting “2612(b)(3)(F)”;

7           (4) in section 2616(a) by striking “section  
8           2612(a)(5)” and inserting “2612(b)(3)(B)”.

9   **SEC. 202. AIDS DRUG ASSISTANCE PROGRAM.**

10       (a) REQUIREMENT OF MINIMUM DRUG LIST.—Sec-  
11   tion 2616 of the Public Health Service Act (42 U.S.C.  
12   300ff-26) is amended—

13           (1) in subsection (c), by striking paragraph (1)  
14       and inserting the following:

15               “(1) ensure that the therapeutics included on  
16       the list of classes of core antiretroviral therapeutics  
17       established by the Secretary under subsection (e)  
18       are, at a minimum, the treatments provided by the  
19       State pursuant to this section;”;

20           (2) by redesignating subsection (e) as sub-  
21       section (f); and

22           (3) by inserting after subsection (d) the fol-  
23       lowing:

24       “(e) LIST OF CLASSES OF CORE ANTIRETROVIRAL  
25   THERAPEUTICS.—For purposes of subsection (c)(1), the

1 Secretary shall develop and maintain a list of classes of  
2 core antiretroviral therapeutics, which list shall be based  
3 on the therapeutics included in the guidelines of the Sec-  
4 retary known as the Clinical Practice Guidelines for Use  
5 of HIV/AIDS Drugs, relating to drugs needed to manage  
6 symptoms associated with HIV. The preceding sentence  
7 does not affect the authority of the Secretary to modify  
8 such Guidelines.”.

9 (b) DRUG REBATE PROGRAM.—Section 2616 of the  
10 Public Health Service Act, as amended by subsection  
11 (a)(2) of this section, is amended by adding at the end  
12 the following:

13 “(g) DRUG REBATE PROGRAM.—A State shall ensure  
14 that any drug rebates received on drugs purchased from  
15 funds provided pursuant to this section are applied to ac-  
16 tivities supported under this subpart, with priority given  
17 to activities described under this section.”.

18 **SEC. 203. DISTRIBUTION OF FUNDS.**

19 (a) DISTRIBUTION BASED ON LIVING CASES OF HIV/  
20 AIDS.—

21 (1) STATE DISTRIBUTION FACTOR.—Section  
22 2618(a)(2) of the Public Health Service Act (42  
23 U.S.C. 300ff–28(a)(2)) is amended—

24 (A) in subparagraph (B), by striking “esti-  
25 mated number of living cases of acquired im-

1           mune deficiency syndrome in the eligible area  
2           involved” and inserting “number of living cases  
3           of HIV/AIDS in the State involved”; and

4           (B) by amending subparagraph (D) to  
5           read as follows:

6           “(D) LIVING CASES OF HIV/AIDS.—

7           “(i) REQUIREMENT OF NAMES-BASED  
8           REPORTING.—Except as provided in clause  
9           (ii), the number determined under this  
10          subparagraph for a State for a fiscal year  
11          for purposes of subparagraph (B) is the  
12          number of living names-based cases of  
13          HIV/AIDS in the State that, as of Decem-  
14          ber 31 of the most recent calendar year for  
15          which such data is available, have been re-  
16          ported to and confirmed by the Director of  
17          the Centers for Disease Control and Pre-  
18          vention.

19          “(ii) TRANSITION PERIOD; EXEMP-  
20          TION REGARDING NON-AIDS CASES.—For  
21          each of the fiscal years 2007 through  
22          2010, a State is, subject to clauses (iii)  
23          through (v), exempt from the requirement  
24          under clause (i) that living non-AIDS

1 names-based cases of HIV be reported un-  
2 less—

3 “(I) a system was in operation as  
4 of December 31, 2005, that provides  
5 sufficiently accurate and reliable  
6 names-based reporting of such cases  
7 throughout the State, subject to  
8 clause (vii); or

9 “(II) no later than the beginning  
10 of fiscal year 2008, 2009, or 2010,  
11 the Secretary, after consultation with  
12 the chief executive of the State, deter-  
13 mines that a system has become oper-  
14 ational in the State that provides suf-  
15 ficiently accurate and reliable names-  
16 based reporting of such cases  
17 throughout the State.

18 “(iii) REQUIREMENTS FOR EXEMP-  
19 TION FOR FISCAL YEAR 2007.—For fiscal  
20 year 2007, an exemption under clause (ii)  
21 for a State applies only if, by October 1,  
22 2006—

23 “(I)(aa) the State had submitted  
24 to the Secretary a plan for making  
25 the transition to sufficiently accurate

1 and reliable names-based reporting of  
2 living non-AIDS cases of HIV; or

3 “(bb) all statutory changes nec-  
4 essary to provide for sufficiently accu-  
5 rate and reliable reporting of such  
6 cases had been made; and

7 “(II) the State had agreed that,  
8 by April 1, 2008, the State will begin  
9 accurate and reliable names-based re-  
10 porting of such cases, except that  
11 such agreement is not required to pro-  
12 vide that, as of such date, the system  
13 for such reporting be fully sufficient  
14 with respect to accuracy and reli-  
15 ability throughout the area.

16 “(iv) REQUIREMENT FOR EXEMPTION  
17 AS OF FISCAL YEAR 2008.—For each of the  
18 fiscal years 2008 through 2010, an exemp-  
19 tion under clause (ii) for a State applies  
20 only if, as of April 1, 2008, the State is  
21 substantially in compliance with the agree-  
22 ment under clause (iii)(II).

23 “(v) PROGRESS TOWARD NAMES-  
24 BASED REPORTING.—For fiscal year 2009  
25 or 2010, the Secretary may terminate an

1 exemption under clause (ii) for a State if  
2 the State submitted a plan under clause  
3 (iii)(I)(aa) and the Secretary determines  
4 that the State is not substantially following  
5 the plan.

6 “(vi) COUNTING OF CASES IN AREAS  
7 WITH EXEMPTIONS.—

8 “(I) IN GENERAL.—With respect  
9 to a State that is under a reporting  
10 system for living non-AIDS cases of  
11 HIV that is not names-based (referred  
12 to in this subparagraph as ‘code-based  
13 reporting’), the Secretary shall, for  
14 purposes of this subparagraph, modify  
15 the number of such cases reported for  
16 the State in order to adjust for dupli-  
17 cative reporting in and among systems  
18 that use code-based reporting.

19 “(II) ADJUSTMENT RATE.—The  
20 adjustment rate under subclause (I)  
21 for a State shall be a reduction of 5  
22 percent in the number of living non-  
23 AIDS cases of HIV reported for the  
24 State.

1 “(vii) LIST OF STATES MEETING  
2 STANDARD REGARDING DECEMBER 31,  
3 2005.—

4 “(I) IN GENERAL.—If a State is  
5 specified in subclause (II), the State  
6 shall be considered to meet the stand-  
7 ard described in clause (ii)(I). No  
8 other State may be considered to meet  
9 such standard.

10 “(II) RELEVANT STATES.—For  
11 purposes of subclause (I), the States  
12 specified in this subclause are the fol-  
13 lowing: Alaska, Alabama, Arkansas,  
14 Arizona, Colorado, Florida, Indiana,  
15 Iowa, Idaho, Kansas, Louisiana,  
16 Michigan, Minnesota, Missouri, Mis-  
17 sissippi, North Carolina, North Da-  
18 kota, Nebraska, New Jersey, New  
19 Mexico, New York, Nevada, Ohio,  
20 Oklahoma, South Carolina, South Da-  
21 kota, Tennessee, Texas, Utah, Vir-  
22 ginia, Wisconsin, West Virginia, Wyo-  
23 ming, Guam, and the Virgin Islands.

24 “(viii) RULES OF CONSTRUCTION RE-  
25 GARDING ACCEPTANCE OF REPORTS.—



1                   “(I) CASES OF AIDS.—With re-  
2                   spect to a State that is subject to the  
3                   requirement under clause (i) and is  
4                   not in compliance with the require-  
5                   ment for names-based reporting of liv-  
6                   ing non-AIDS cases of HIV, the Sec-  
7                   retary shall, notwithstanding such  
8                   noncompliance, accept reports of liv-  
9                   ing cases of AIDS that are in accord-  
10                  ance with such clause.

11                  “(II) APPLICABILITY OF EXEMP-  
12                  TION REQUIREMENTS.—The provi-  
13                  sions of clauses (ii) through (vii) may  
14                  not be construed as having any legal  
15                  effect for fiscal year 2011 or any sub-  
16                  sequent fiscal year, and accordingly,  
17                  the status of a State for purposes of  
18                  such clauses may not be considered  
19                  after fiscal year 2010.

20                  “(ix) PROGRAM FOR DETECTING INAC-  
21                  CULATE OR FRAUDULENT COUNTING.—  
22                  The Secretary shall carry out a program to  
23                  monitor the reporting of names-based  
24                  cases for purposes of this subparagraph

1                   and to detect instances of inaccurate re-  
2                   reporting, including fraudulent reporting.”.

3                   (2) NON-EMA DISTRIBUTION FACTOR.—Section  
4                   2618(a)(2)(C) of the Public Health Service Act (42  
5                   U.S.C. 300ff–28(a)(2)(C)) is amended—

6                   (A) in clause (i), by striking “estimated  
7                   number of living cases of acquired immune defi-  
8                   ciency syndrome” each place such term appears  
9                   and inserting “number of living cases of HIV/  
10                  AIDS”; and

11                  (B) in clause (ii), by amending such clause  
12                  to read as follows:

13                         “(ii) a number equal to the sum of—

14                                 “(I) the total number of living  
15                                 cases of HIV/AIDS that are within  
16                                 areas in such State that are eligible  
17                                 areas under subpart I of part A for  
18                                 the fiscal year involved, which indi-  
19                                 vidual number for an area is the num-  
20                                 ber that applies under section 2601  
21                                 for the area for such fiscal year; and

22                                 “(II) the total number of such  
23                                 cases that are within areas in such  
24                                 State that are transitional areas  
25                                 under section 2609 for such fiscal

1                   year, which individual number for an  
2                   area is the number that applies under  
3                   such section for the fiscal year.”.

4           (b) FORMULA AMENDMENTS GENERALLY.—Section  
5 2618(a)(2) of the Public Health Service Act (42 U.S.C.  
6 300ff-28(a)(2)) is amended—

7           (1) in subparagraph (A)—

8                   (A) by striking “The amount referred to”  
9                   in the matter preceding clause (i) and all that  
10                   follows through the end of clause (i) and insert-  
11                   ing the following: “For purposes of paragraph  
12                   (1), the amount referred to in this paragraph  
13                   for a State (including a territory) for a fiscal  
14                   year is, subject to subparagraphs (E) and  
15                   (F)—

16                           “(i) an amount equal to the amount  
17                           made available under section 2623 for the  
18                           fiscal year involved for grants pursuant to  
19                           paragraph (1), subject to subparagraph  
20                           (G); and”; and

21                   (B) in clause (ii)—

22                           (i) in subclause (I)—

23                                   (I) by striking “0.80” and insert-  
24                                   ing “0.75”; and

25                                   (II) by striking “and” at the end;

1 (ii) in subclause (II)—

2 (I) by inserting “non-EMA” after  
3 “respective”; and

4 (II) by striking the period and  
5 inserting “; and”; and

6 (iii) by adding at the end the fol-  
7 lowing:

8 “(III) if the State does not for  
9 such fiscal year contain any area that  
10 is an eligible area under subpart I of  
11 part A or any area that is a transi-  
12 tional area under section 2609 (re-  
13 ferred to in this subclause as a ‘no-  
14 EMA State’), the product of 0.05 and  
15 the ratio of the number of cases that  
16 applies for the State under subpara-  
17 graph (D) to the sum of the respective  
18 numbers of cases that so apply for all  
19 no-EMA States.”;

20 (2) by striking subparagraphs (E) through (H);

21 (3) by inserting after subparagraph (D) the fol-  
22 lowing subparagraphs:

23 “(E) CODE-BASED STATES; LIMITATION ON  
24 INCREASE IN GRANT.—

1           “(i) IN GENERAL.—For each of the  
2           fiscal years 2007 through 2010, if code-  
3           based reporting (within the meaning of  
4           subparagraph (D)(vi)) applies in a State as  
5           of the beginning of the fiscal year involved,  
6           then notwithstanding any other provision  
7           of this paragraph, the amount of the grant  
8           pursuant to paragraph (1) for the State  
9           may not for the fiscal year involved exceed  
10          by more than 5 percent the amount of the  
11          grant pursuant to this paragraph for the  
12          State for the preceding fiscal year, except  
13          that the limitation under this clause may  
14          not result in a grant pursuant to para-  
15          graph (1) for a fiscal year that is less than  
16          the minimum amount that applies to the  
17          State under such paragraph for such fiscal  
18          year.

19          “(ii) USE OF AMOUNTS INVOLVED.—  
20          For each of the fiscal years 2007 through  
21          2010, amounts available as a result of the  
22          limitation under clause (i) shall be made  
23          available by the Secretary as additional  
24          amounts for grants pursuant to section  
25          2620, subject to subparagraph (H).

1 “(F) SEVERITY OF NEED.—

2 “(i) FISCAL YEARS BEGINNING WITH  
3 2011.—If, by January 1, 2010, the Sec-  
4 retary notifies the appropriate committees  
5 of Congress that the Secretary has devel-  
6 oped a severity of need index in accordance  
7 with clause (v), the provisions of subpara-  
8 graphs (A) through (E) shall not apply for  
9 fiscal year 2011 or any fiscal year there-  
10 after, and the Secretary shall use the se-  
11 verity of need index (as defined in clause  
12 (iv)) for the determination of the formula  
13 allocations, subject to the Congressional  
14 Review Act.

15 “(ii) SUBSEQUENT FISCAL YEARS.—  
16 If, on or before any January 1 that is sub-  
17 sequent to the date referred to in clause  
18 (i), the Secretary notifies the appropriate  
19 committees of Congress that the Secretary  
20 has developed a severity of need index, in  
21 accordance with clause (v), for each suc-  
22 ceeding fiscal year, the provisions of sub-  
23 paragraphs (A) through (D) shall not  
24 apply for the subsequent fiscal year or any  
25 fiscal year thereafter, and the Secretary

1 shall use the severity of need index (as de-  
2 fined in clause (iv)) for the determination  
3 of the formula allocations, subject to the  
4 Congressional Review Act.

5 “(iii) FISCAL YEAR 2013.—The Sec-  
6 retary shall notify the appropriate commit-  
7 tees of Congress that the Secretary has de-  
8 veloped a severity of need index by Janu-  
9 ary 1, 2012, in accordance with clause (v),  
10 and the provisions of subparagraphs (A)  
11 through (D) shall not apply for fiscal year  
12 2013 or any fiscal year thereafter, and the  
13 Secretary shall use the severity of need  
14 index (as defined in clause (iv)) for the de-  
15 termination of the formula allocations, sub-  
16 ject to the Congressional Review Act.

17 “(iv) DEFINITION OF SEVERITY OF  
18 NEED INDEX.—In this subparagraph, the  
19 term ‘severity of need index’ means the  
20 index of the relative needs of individuals  
21 within the State, as identified by a variety  
22 of different factors, and is a factor that is  
23 multiplied by the number of living HIV/  
24 AIDS cases in the State, providing dif-

1                   ferent weights to those cases based on  
2                   their needs.

3                   “(v) REQUIREMENTS FOR SECRE-  
4                   TARIAL NOTIFICATION.—When the Sec-  
5                   retary notifies the appropriate committees  
6                   of Congress that the Secretary has devel-  
7                   oped a severity of need index, the Sec-  
8                   retary shall provide the following:

9                   “(I) Methodology for and ration-  
10                  ale behind developing the severity of  
11                  need index, including information re-  
12                  lated to the field testing of the sever-  
13                  ity of need index.

14                  “(II) An independent contractor  
15                  analysis of activities carried out under  
16                  subclause (I).

17                  “(III) Expected changes in fund-  
18                  ing allocations, given the application  
19                  of the severity of need index and the  
20                  elimination of the provisions of sub-  
21                  paragraphs (A) through (D).

22                  “(IV) Information regarding the  
23                  process by which the Secretary re-  
24                  ceived community input regarding the



1 application and development of the se-  
2 verity of need index.

3 “(V) Timeline and process for  
4 the implementation of the severity of  
5 need index to ensure that it is applied  
6 in the following fiscal year.

7 “(vi) ANNUAL REPORTS.—Not later  
8 than 1 year after the date of enactment of  
9 the Ryan White HIV/AIDS Treatment  
10 Modernization Act of 2006, and annually  
11 thereafter until the Secretary notifies Con-  
12 gress that the Secretary has developed a  
13 severity of need index in accordance with  
14 this subparagraph, the Secretary shall pre-  
15 pare and submit to the appropriate com-  
16 mittees of Congress a report—

17 “(I) that updates progress to-  
18 ward having client level data;

19 “(II) that updates the progress  
20 toward having a severity of need  
21 index, including information related to  
22 the methodology and process for ob-  
23 taining community input; and

24 “(III) that, as applicable, states  
25 whether the Secretary could develop a

1 severity of need index before fiscal  
2 year 2010.”; and

3 (4) by redesignating subparagraph (I) as sub-  
4 paragraph (G).

5 (c) SEPARATE ADAP GRANTS.—Section  
6 2618(a)(2)(G) of the Public Health Service Act (42  
7 U.S.C. 300ff-28(a)(2)(G)), as redesignated by subsection  
8 (b)(4) of this section, is amended—

9 (1) in clause (i)—

10 (A) in the matter preceding subclause (I),  
11 by striking “section 2677” and inserting “sec-  
12 tion 2623”;

13 (B) in subclause (II), by striking the pe-  
14 riod at the end and inserting a semicolon; and

15 (C) by adding after and below subclause  
16 (II) the following:

17 “which product shall then, as applicable,  
18 be increased under subparagraph (H).”;

19 (2) in clause (ii)—

20 (A) by striking subclauses (I) through (III)  
21 and inserting the following:

22 “(I) IN GENERAL.—From  
23 amounts made available under sub-  
24 clause (V), the Secretary shall award  
25 supplemental grants to States de-

1           scribed in subclause (II) to enable  
2           such States to purchase and distribute  
3           to eligible individuals under section  
4           2616(b) pharmaceutical therapeutics  
5           described under subsections (c)(2) and  
6           (e) of such section.

7                   “(II) ELIGIBLE STATES.—For  
8           purposes of subclause (I), a State  
9           shall be an eligible State if the State  
10          did not have unobligated funds sub-  
11          ject to reallocation under section  
12          2618(d) in the previous fiscal year  
13          and, in accordance with criteria estab-  
14          lished by the Secretary, demonstrates  
15          a severe need for a grant under this  
16          clause. For purposes of determining  
17          severe need, the Secretary shall con-  
18          sider eligibility standards, formulary  
19          composition, the number of eligible in-  
20          dividuals to whom a State is unable to  
21          provide therapeutics described in sec-  
22          tion 2616(a), and an unanticipated in-  
23          crease of eligible individuals with  
24          HIV/AIDS.

1 “(III) STATE REQUIREMENTS.—

2 The Secretary may not make a grant  
3 to a State under this clause unless the  
4 State agrees that the State will make  
5 available (directly or through dona-  
6 tions of public or private entities)  
7 non-Federal contributions toward the  
8 activities to be carried out under the  
9 grant in an amount equal to \$1 for  
10 each \$4 of Federal funds provided in  
11 the grant, except that the Secretary  
12 may waive this subclause if the State  
13 has otherwise fully complied with sec-  
14 tion 2617(d) with respect to the grant  
15 year involved. The provisions of this  
16 subclause shall apply to States that  
17 are not required to comply with such  
18 section 2617(d).”.

19 (B) in subclause (IV), by moving the sub-  
20 clause two ems to the left;

21 (C) in subclause (V), by striking “3 per-  
22 cent” and inserting “5 percent”; and

23 (D) by striking subclause (VI); and

24 (3) by adding at the end the following clause:

1 “(iii) CODE-BASED STATES; LIMITA-  
2 TION ON INCREASE IN FORMULA GRANT.—  
3 The limitation under subparagraph (E)(i)  
4 applies to grants pursuant to clause (i) of  
5 this subparagraph to the same extent and  
6 in the same manner as such limitation ap-  
7 plies to grants pursuant to paragraph (1),  
8 except that the reference to minimum  
9 grants does not apply for purposes of this  
10 clause. Amounts available as a result of  
11 the limitation under the preceding sentence  
12 shall be made available by the Secretary as  
13 additional amounts for grants under clause  
14 (ii) of this subparagraph.”.

15 (d) HOLD HARMLESS.—Section 2618(a)(2) of the  
16 Public Health Service Act (42 U.S.C. 300ff-28(a)(2)), as  
17 amended by subsection (b)(4) of this section, is amended  
18 by adding at the end the following subparagraph:

19 “(H) INCREASE IN FORMULA GRANTS.—  
20 “(i) IN GENERAL.—For each of the  
21 fiscal years 2007 through 2009, the Sec-  
22 retary shall ensure, subject to clauses (ii)  
23 through (iv), that the total for a State of  
24 the grant pursuant to paragraph (1) and  
25 the grant pursuant to subparagraph (G) is

1 not less than 95 percent of such total for  
2 the State for the preceding fiscal year, ex-  
3 cept that any increase under this clause—

4 “(I) may not result in a grant  
5 pursuant to paragraph (1) that is  
6 more than 95 percent of the amount  
7 of such grant for the preceding fiscal  
8 year; and

9 “(II) may not result in a grant  
10 pursuant to subparagraph (G) that is  
11 more than 95 percent of the amount  
12 of such grant for such preceding fiscal  
13 year.

14 “(ii) FISCAL YEAR 2007.—For pur-  
15 poses of clause (i) as applied for fiscal year  
16 2007, the references in such clause to sub-  
17 paragraph (G) are deemed to be references  
18 to subparagraph (I) as such subparagraph  
19 was in effect for fiscal year 2006.

20 “(iii) SOURCE OF FUNDS FOR IN-  
21 CREASE.—

22 “(I) IN GENERAL.—From the  
23 amount reserved under section  
24 2623(b)(2) for a fiscal year, and from  
25 amounts available for such section

1           pursuant to subsection (d) of this sec-  
2           tion, the Secretary shall make avail-  
3           able such amounts as may be nec-  
4           essary to comply with clause (i).

5                   “(II) PRO RATA REDUCTION.—If  
6           the amounts referred to in subclause  
7           (I) for a fiscal year are insufficient to  
8           fully comply with clause (i) for the  
9           year, the Secretary, in order to pro-  
10          vide the additional funds necessary for  
11          such compliance, shall reduce on a pro  
12          rata basis the amount of each grant  
13          pursuant to paragraph (1) for the fis-  
14          cal year, other than grants for States  
15          for which increases under clause (i)  
16          apply and other than States described  
17          in paragraph (1)(A)(i)(I). A reduction  
18          under the preceding sentence may not  
19          be made in an amount that would re-  
20          sult in the State involved becoming el-  
21          igible for such an increase.

22                   “(iv) APPLICABILITY.—This para-  
23          graph may not be construed as having any  
24          applicability after fiscal year 2009.”.

1 (e) ADMINISTRATIVE EXPENSES; CLINICAL QUALITY  
2 MANAGEMENT.—Section 2618(b) of the Public Health  
3 Service Act (42 U.S.C. 300ff-28(b)) is amended—

4 (1) by redesignating paragraphs (2) through  
5 (7) as paragraphs (1) through (6);

6 (2) in paragraph (2) (as so redesignated)—

7 (A) by striking “paragraph (5)” and in-  
8 serting “paragraph (4)”; and

9 (B) by striking “paragraph (6)” and in-  
10 serting “paragraph (5)”;  
11 (3) in paragraph (3) (as so redesignated)—

12 (A) by amending subparagraph (A) to read  
13 as follows:

14 “(A) IN GENERAL.—Subject to paragraph  
15 (4,) and except as provided in paragraph (5), a  
16 State may not use more than 10 percent of  
17 amounts received under a grant awarded under  
18 section 2611 for administration.”;

19 (B) by redesignating subparagraphs (B)  
20 and (C) as subparagraphs (C) and (D), respec-  
21 tively;

22 (C) by inserting after subparagraph (A)  
23 the following:

24 “(B) ALLOCATIONS.—In the case of enti-  
25 ties and subcontractors to which a State allo-



1 cates amounts received by the State under a  
2 grant under section 2611, the State shall en-  
3 sure that, of the aggregate amount so allocated,  
4 the total of the expenditures by such entities for  
5 administrative expenses does not exceed 10 per-  
6 cent (without regard to whether particular enti-  
7 ties expend more than 10 percent for such ex-  
8 penses).”;

9 (D) in subparagraph (C) (as so redesign-  
10 nated), by inserting before the period the fol-  
11 lowing: “, including a clinical quality manage-  
12 ment program under subparagraph (E)”;

13 (E) by adding at the end the following:

14 “(E) CLINICAL QUALITY MANAGEMENT.—

15 “(i) REQUIREMENT.—Each State that  
16 receives a grant under section 2611 shall  
17 provide for the establishment of a clinical  
18 quality management program to assess the  
19 extent to which HIV health services pro-  
20 vided to patients under the grant are con-  
21 sistent with the most recent Public Health  
22 Service guidelines for the treatment of  
23 HIV/AIDS and related opportunistic infec-  
24 tion, and as applicable, to develop strate-  
25 gies for ensuring that such services are

1 consistent with the guidelines for improve-  
2 ment in the access to and quality of HIV  
3 health services.

4 “(ii) USE OF FUNDS.—

5 “(I) IN GENERAL.—From  
6 amounts received under a grant  
7 awarded under section 2611 for a fis-  
8 cal year, a State may use for activities  
9 associated with the clinical quality  
10 management program required in  
11 clause (i) not to exceed the lesser of—

12 “(aa) 5 percent of amounts  
13 received under the grant; or

14 “(bb) \$3,000,000.

15 “(II) RELATION TO LIMITATION  
16 ON ADMINISTRATIVE EXPENSES.—The  
17 costs of a clinical quality management  
18 program under clause (i) may not be  
19 considered administrative expenses for  
20 purposes of the limitation established  
21 in subparagraph (A).”;

22 (4) in paragraph (4) (as so redesignated)—

23 (A) by striking “paragraph (6)” and in-  
24 serting “paragraph (5)”; and

1 (B) by striking “paragraphs (3) and (4)”  
2 and inserting “paragraphs (2) and (3)”; and  
3 (5) in paragraph (5) (as so redesignated), by  
4 striking “paragraph (3)” and all that follows  
5 through “(5),” and inserting the following: “para-  
6 graphs (2) and (3), may, notwithstanding para-  
7 graphs (2) through (4),”.

8 (f) REALLOCATION FOR SUPPLEMENTAL GRANTS.—  
9 Section 2618(d) of the Public Health Service Act (42  
10 U.S.C. 300ff-28(d)) is amended to read as follows:

11 “(d) REALLOCATION.—Any portion of a grant made  
12 to a State under section 2611 for a fiscal year that has  
13 not been obligated as described in subsection (c) ceases  
14 to be available to the State and shall be made available  
15 by the Secretary for grants under section 2620, in addi-  
16 tion to amounts made available for such grants under sec-  
17 tion 2623(b)(2).”.

18 (g) DEFINITIONS; OTHER TECHNICAL AMEND-  
19 MENTS.—Section 2618(a) of the Public Health Service  
20 Act (42 U.S.C. 300ff-28(a)) is amended—

21 (1) in paragraph (1), in the matter preceding  
22 subparagraph (A), by striking “section 2677” and  
23 inserting “section 2623”;

24 (2) in paragraph (1)(A)—

1 (A) in the matter preceding clause (i), by  
2 striking “each of the several States and the  
3 District of Columbia” and inserting “each of  
4 the 50 States, the District of Columbia, Guam,  
5 and the Virgin Islands (referred to in this para-  
6 graph as a ‘covered State’)”; and

7 (B) in clause (i)—

8 (i) in subclause (I), by striking “State  
9 or District” and inserting “covered State”;  
10 and

11 (ii) in subclause (II)—

12 (I) by striking “State or Dis-  
13 trict” and inserting “covered State”;  
14 and

15 (II) by inserting “and” after the  
16 semicolon; and

17 (3) in paragraph (1)(B), by striking “each ter-  
18 ritory of the United States, as defined in paragraph  
19 (3),” and inserting “each territory other than Guam  
20 and the Virgin Islands”;

21 (4) in paragraph (2)(C)(i), by striking “or ter-  
22 ritory”; and

23 (5) by striking paragraph (3).

1   **SEC. 204. ADDITIONAL AMENDMENTS TO SUBPART I OF**  
2                   **PART B.**

3           (a) REFERENCES TO PART B.—Subpart I of part B  
4 of title XXVI of the Public Health Service Act (42 U.S.C.  
5 300ff-21 et seq.) is amended by striking “this part” each  
6 place such term appears and inserting “section 2611”.

7           (b) HEPATITIS.—Section 2614(a)(3) of the Public  
8 Health Service Act (42 U.S.C. 300ff-24(a)(3)) is amended  
9 by inserting “, including specialty care and vaccinations  
10 for hepatitis co-infection,” after “health services”.

11          (c) APPLICATION FOR GRANT.—

12               (1) COORDINATION.—Section 2617(b) of the  
13 Public Health Service Act (42 U.S.C. 300ff-27(b)) is  
14 amended—

15                   (A) by redesignating paragraphs (4)  
16 through (6) as paragraphs (5) through (7), re-  
17 spectively;

18                   (B) by inserting after paragraph (3), the  
19 following:

20                   “(4) the designation of a lead State agency that  
21 shall—

22                       “(A) administer all assistance received  
23 under this part;

24                       “(B) conduct the needs assessment and  
25 prepare the State plan under paragraph (3);

1 “(C) prepare all applications for assistance  
2 under this part;

3 “(D) receive notices with respect to pro-  
4 grams under this title;

5 “(E) every 2 years, collect and submit to  
6 the Secretary all audits, consistent with Office  
7 of Management and Budget circular A133,  
8 from grantees within the State, including audits  
9 regarding funds expended in accordance with  
10 this part; and

11 “(F) carry out any other duties determined  
12 appropriate by the Secretary to facilitate the  
13 coordination of programs under this title.”;

14 (C) in paragraph (5) (as so redesign-  
15 nated)—

16 (i) in subparagraph (E), by striking  
17 “and” at the end; and

18 (ii) by inserting after subparagraph  
19 (F) the following:

20 “(G) includes key outcomes to be measured  
21 by all entities in the State receiving assistance  
22 under this title; and”; and

23 (D) in paragraph (7) (as so redesignated),  
24 in subparagraph (A)—

1 (i) by striking “paragraph (5)” and  
2 inserting “paragraph (6)”; and

3 (ii) by striking “paragraph (4)” and  
4 inserting “paragraph (5)”.

5 (2) NATIVE AMERICAN REPRESENTATION.—  
6 Section 2617(b)(6) of the Public Health Service Act,  
7 as redesignated by paragraph (1)(A) of this sub-  
8 section, is amended by inserting before “representa-  
9 tives of grantees” the following: “members of a Fed-  
10 erally recognized Indian tribe as represented in the  
11 State,”.

12 (3) PAYER OF LAST RESORT.—Section  
13 2617(b)(7)(F)(ii) of the Public Health Service Act,  
14 as redesignated by paragraph (1)(A) of this sub-  
15 section, is amended by inserting before the semicolon  
16 the following: “(except for a program administered  
17 by or providing the services of the Indian Health  
18 Service)”.

19 (d) MATCHING FUNDS; APPLICABILITY OF REQUIRE-  
20 MENT.—Section 2617(d)(3) of the Public Health Service  
21 Act (42 U.S.C. 300ff-27(d)(3)) is amended—

22 (1) in subparagraph (A), by striking “acquired  
23 immune deficiency syndrome” and inserting “HIV/  
24 AIDS”; and

1           (2) in subparagraph (C), by striking “acquired  
2       immune deficiency syndrome” and inserting “HIV/  
3       AIDS”.

4   **SEC. 205. SUPPLEMENTAL GRANTS ON BASIS OF DEM-**  
5                   **ONSTRATED NEED.**

6       Subpart I of part B of title XXVI of the Public  
7   Health Service Act (42 U.S.C. 300ff-21 et seq.) is amend-  
8   ed—

9           (1) by redesignating section 2620 as section  
10       2621; and

11          (2) by inserting after section 2619 the fol-  
12       lowing:

13   **“SEC. 2620. SUPPLEMENTAL GRANTS.**

14       “(a) IN GENERAL.—For the purpose of providing  
15   services described in section 2612(a), the Secretary shall  
16   make grants to States—

17          “(1) whose applications under section 2617  
18       have demonstrated the need in the State, on an ob-  
19       jective and quantified basis, for supplemental finan-  
20       cial assistance to provide such services; and

21          “(2) that did not, for the most recent grant  
22       year pursuant to section 2618(a)(1) or  
23       2618(a)(2)(G)(i) for which data is available, have  
24       more than 2 percent of grant funds under such sec-



1        tions canceled or covered by any waivers under sec-  
2        tion 2622(c).

3        “(b) DEMONSTRATED NEED.—The factors consid-  
4        ered by the Secretary in determining whether an eligible  
5        area has a demonstrated need for purposes of subsection  
6        (a)(1) may include any or all of the following:

7                “(1) The unmet need for such services, as de-  
8        termined under section 2617(b).

9                “(2) An increasing need for HIV/AIDS-related  
10       services, including relative rates of increase in the  
11       number of cases of HIV/AIDS.

12               “(3) The relative rates of increase in the num-  
13       ber of cases of HIV/AIDS within new or emerging  
14       subpopulations.

15               “(4) The current prevalence of HIV/AIDS.

16               “(5) Relevant factors related to the cost and  
17       complexity of delivering health care to individuals  
18       with HIV/AIDS in the eligible area.

19               “(6) The impact of co-morbid factors, including  
20       co-occurring conditions, determined relevant by the  
21       Secretary.

22               “(7) The prevalence of homelessness.

23               “(8) The prevalence of individuals described  
24       under section 2602(b)(2)(M).

1           “(9) The relevant factors that limit access to  
2           health care, including geographic variation, adequacy  
3           of health insurance coverage, and language barriers.

4           “(10) The impact of a decline in the amount re-  
5           ceived pursuant to section 2618 on services available  
6           to all individuals with HIV/AIDS identified and eli-  
7           gible under this title.

8           “(c) PRIORITY IN MAKING GRANTS.—The Secretary  
9           shall provide funds under this section to a State to address  
10          the decline in services related to the decline in the amounts  
11          received pursuant to section 2618 consistent with the  
12          grant award to the State for fiscal year 2006, to the extent  
13          that the factor under subsection (b)(10) (relating to a de-  
14          cline in funding) applies to the State.

15          “(d) CORE MEDICAL SERVICES.—The provisions of  
16          section 2612(b) apply with respect to a grant under this  
17          section to the same extent and in the same manner as  
18          such provisions apply with respect to a grant made pursu-  
19          ant to section 2618(a)(1).

20          “(e) APPLICABILITY OF GRANT AUTHORITY.—The  
21          authority to make grants under this section applies begin-  
22          ning with the first fiscal year for which amounts are made  
23          available for such grants under section 2623(b)(1).”.

1   **SEC. 206. EMERGING COMMUNITIES.**

2           Section 2621 of the Public Health Service Act, as re-  
3 designated by section 205(1) of this Act, is amended—

4           (1) in the heading for the section, by striking  
5        “**SUPPLEMENTAL   GRANTS**” and inserting  
6        “**EMERGING COMMUNITIES**”;

7           (2) in subsection (b)—

8                (A) in paragraph (2), by striking “and” at  
9 the end;

10               (B) by redesignating paragraph (3) as  
11 paragraph (4); and

12               (C) by inserting after paragraph (2) the  
13 following:

14               “(3) agree that the grant will be used to pro-  
15 vide funds directly to emerging communities in the  
16 State, separately from other funds under this title  
17 that are provided by the State to such communities;  
18 and”.

19           (3) by striking subsections (d) and (e) and in-  
20 serting the following:

21        “(d) **DEFINITIONS OF EMERGING COMMUNITY.**—For  
22 purposes of this section, the term ‘emerging community’  
23 means a metropolitan area (as defined in section 2607)  
24 for which there has been reported to and confirmed by  
25 the Director of the Centers for Disease Control and Pre-  
26 vention a cumulative total of at least 500, but fewer than

1 1,000, cases of AIDS during the most recent period of  
2 5 calendar years for which such data are available.

3 “(e) CONTINUED STATUS AS EMERGING COMMU-  
4 NITY.—Notwithstanding any other provision of this sec-  
5 tion, a metropolitan area that is an emerging community  
6 for a fiscal year continues to be an emerging community  
7 until the metropolitan area fails, for three consecutive fis-  
8 cal years—

9 “(1) to meet the requirements of subsection (d);  
10 and

11 “(2) to have a cumulative total of 750 or more  
12 living cases of AIDS (reported to and confirmed by  
13 the Director of the Centers for Disease Control and  
14 Prevention) as of December 31 of the most recent  
15 calendar year for which such data is available.

16 “(f) DISTRIBUTION.—The amount of a grant under  
17 subsection (a) for a State for a fiscal year shall be an  
18 amount equal to the product of—

19 “(1) the amount available under section  
20 2623(b)(1) for the fiscal year; and

21 “(2) a percentage equal to the ratio constituted  
22 by the number of living cases of HIV/AIDS in  
23 emerging communities in the State to the sum of the  
24 respective numbers of such cases in such commu-  
25 nities for all States.”.

1 **SEC. 207. TIMEFRAME FOR OBLIGATION AND EXPENDI-**  
2 **TURE OF GRANT FUNDS.**

3 Subpart I of part B of title XXVI of the Public  
4 Health Service Act (42 U.S.C. 300ff-21 et seq.), as  
5 amended by section 205, is further amended by adding  
6 at the end the following:

7 **“SEC. 2622. TIMEFRAME FOR OBLIGATION AND EXPENDI-**  
8 **TURE OF GRANT FUNDS.**

9 “(a) OBLIGATION BY END OF GRANT YEAR.—Effec-  
10 tive for fiscal year 2007 and subsequent fiscal years, funds  
11 from a grant award made to a State for a fiscal year pur-  
12 suant to section 2618(a)(1) or 2618(a)(2)(G), or under  
13 section 2620 or 2621, are available for obligation by the  
14 State through the end of the one-year period beginning  
15 on the date in such fiscal year on which funds from the  
16 award first become available to the State (referred to in  
17 this section as the ‘grant year for the award’), except as  
18 provided in subsection (c)(1).

19 “(b) SUPPLEMENTAL GRANTS; CANCELLATION OF  
20 UNOBLIGATED BALANCE OF GRANT AWARD.—Effective  
21 for fiscal year 2007 and subsequent fiscal years, if a grant  
22 award made to a State for a fiscal year pursuant to section  
23 2618(a)(2)(G)(ii), or under section 2620 or 2621, has an  
24 unobligated balance as of the end of the grant year for  
25 the award—

1           “(1) the Secretary shall cancel that unobligated  
2           balance of the award, and shall require the State to  
3           return any amounts from such balance that have  
4           been disbursed to the State; and

5           “(2) the funds involved shall be made available  
6           by the Secretary as additional amounts for grants  
7           pursuant to section 2620 for the first fiscal year be-  
8           ginning after the fiscal year in which the Secretary  
9           obtains the information necessary for determining  
10          that the balance is required under paragraph (1) to  
11          be canceled, except that the availability of the funds  
12          for such grants is subject to section 2618(a)(2)(H)  
13          as applied for such year.

14          “(c) FORMULA GRANTS; CANCELLATION OF UNOBLI-  
15          GATED BALANCE OF GRANT AWARD; WAIVER PERMIT-  
16          TING CARRYOVER.—

17          “(1) IN GENERAL.—Effective for fiscal year  
18          2007 and subsequent fiscal years, if a grant award  
19          made to a State for a fiscal year pursuant to section  
20          2618(a)(1) or 2618(a)(2)(G)(i) has an unobligated  
21          balance as of the end of the grant year for the  
22          award, the Secretary shall cancel that unobligated  
23          balance of the award, and shall require the State to  
24          return any amounts from such balance that have  
25          been disbursed to the State, unless—

1           “(A) before the end of the grant year, the  
2           State submits to the Secretary a written appli-  
3           cation for a waiver of the cancellation, which  
4           application includes a description of the pur-  
5           poses for which the State intends to expend the  
6           funds involved; and

7           “(B) the Secretary approves the waiver.

8           “(2) EXPENDITURE BY END OF CARRYOVER  
9           YEAR.—With respect to a waiver under paragraph  
10          (1) that is approved for a balance that is unobli-  
11          gated as of the end of a grant year for an award:

12           “(A) The unobligated funds are available  
13           for expenditure by the State involved for the  
14           one-year period beginning upon the expiration  
15           of the grant year (referred to in this section as  
16           the ‘carryover year’).

17           “(B) If the funds are not expended by the  
18           end of the carryover year, the Secretary shall  
19           cancel that unexpended balance of the award,  
20           and shall require the State to return any  
21           amounts from such balance that have been dis-  
22           bursed to the State.

23           “(3) USE OF CANCELLED BALANCES.—In the  
24           case of any balance of a grant award that is can-  
25           celled under paragraph (1) or (2)(B), the grant

1 funds involved shall be made available by the Sec-  
2 retary as additional amounts for grants under sec-  
3 tion 2620 for the first fiscal year beginning after the  
4 fiscal year in which the Secretary obtains the infor-  
5 mation necessary for determining that the balance is  
6 required under such paragraph to be canceled, ex-  
7 cept that the availability of the funds for such  
8 grants is subject to section 2618(a)(2)(H) as applied  
9 for such year.

10 “(4) CORRESPONDING REDUCTION IN FUTURE  
11 GRANT.—

12 “(A) IN GENERAL.—In the case of a State  
13 for which a balance from a grant award made  
14 pursuant to section 2618(a)(1) or  
15 2618(a)(2)(G)(i) is unobligated as of the end of  
16 the grant year for the award—

17 “(i) the Secretary shall reduce, by the  
18 same amount as such unobligated balance,  
19 the amount of the grant under such sec-  
20 tion for the first fiscal year beginning after  
21 the fiscal year in which the Secretary ob-  
22 tains the information necessary for deter-  
23 mining that such balance was unobligated  
24 as of the end of the grant year (which re-  
25 quirement for a reduction applies without



1           regard to whether a waiver under para-  
2           graph (1) has been approved with respect  
3           to such balance); and

4                   “(ii) the grant funds involved in such  
5           reduction shall be made available by the  
6           Secretary as additional funds for grants  
7           under section 2620 for such first fiscal  
8           year, subject to section 2618(a)(2)(H);

9           except that this subparagraph does not apply to  
10          the State if the amount of the unobligated bal-  
11          ance was 2 percent or less.

12                   “(B)   RELATION   TO   INCREASES   IN  
13          GRANT.—A reduction under subparagraph (A)  
14          for a State for a fiscal year may not be taken  
15          into account in applying section 2618(a)(2)(H)  
16          with respect to the State for the subsequent fis-  
17          cal year.

18          “(d) TREATMENT OF DRUG REBATES.—For pur-  
19          poses of this section, funds that are drug rebates referred  
20          to in section 2616(g) may not be considered part of any  
21          grant award referred to in subsection (a).”.

22   **SEC. 208. AUTHORIZATION OF APPROPRIATIONS FOR SUB-**  
23                   **PART I OF PART B.**

24          Subpart I of part B of title XXVI of the Public  
25          Health Service Act (42 U.S.C. 300ff-21 et seq.), as

1 amended by section 207, is further amended by adding  
2 at the end the following:

3 **“SEC. 2623. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) IN GENERAL.—For the purpose of carrying out  
5 this subpart, there are authorized to be appropriated  
6 \$1,195,500,000 for fiscal year 2007, \$1,239,500,000 for  
7 fiscal year 2008, \$1,285,200,000 for fiscal year 2009,  
8 \$1,332,600,000 for fiscal year 2010, and \$1,381,700,000  
9 for fiscal year 2011. Amounts appropriated under the pre-  
10 ceding sentence for a fiscal year are available for obliga-  
11 tion by the Secretary until the end of the second suc-  
12 ceeding fiscal year.

13 “(b) RESERVATION OF AMOUNTS.—

14 “(1) EMERGING COMMUNITIES.—Of the amount  
15 appropriated under subsection (a) for a fiscal year,  
16 the Secretary shall reserve \$5,000,000 for grants  
17 under section 2621.

18 “(2) SUPPLEMENTAL GRANTS.—

19 “(A) IN GENERAL.—Of the amount appro-  
20 priated under subsection (a) for a fiscal year in  
21 excess of the 2006 adjusted amount, the Sec-  
22 retary shall reserve  $\frac{1}{3}$  for grants under section  
23 2620, except that the availability of the re-  
24 served funds for such grants is subject to sec-  
25 tion 2618(a)(2)(H) as applied for such year,

1 and except that any amount appropriated exclu-  
2 sively for carrying out section 2616 (and, ac-  
3 cordingly, distributed under section  
4 2618(a)(2)(G)) is not subject to this subpara-  
5 graph.

6 “(B) 2006 ADJUSTED AMOUNT.—For pur-  
7 poses of subparagraph (A), the term ‘2006 ad-  
8 justed amount’ means the amount appropriated  
9 for fiscal year 2006 under section 2677(b) (as  
10 such section was in effect for such fiscal year),  
11 excluding any amount appropriated for such  
12 year exclusively for carrying out section 2616  
13 (and, accordingly, distributed under section  
14 2618(a)(2)(I), as so in effect).”.

15 **SEC. 209. EARLY DIAGNOSIS GRANT PROGRAM.**

16 Section 2625 of the Public Health Service Act (42  
17 U.S.C. 300ff-33) is amended to read as follows:

18 **“SEC. 2625. EARLY DIAGNOSIS GRANT PROGRAM.**

19 “(a) IN GENERAL.—In the case of States whose laws  
20 or regulations are in accordance with subsection (b), the  
21 Secretary, acting through the Centers for Disease Control  
22 and Prevention, shall make grants to such States for the  
23 purposes described in subsection (c).

24 “(b) DESCRIPTION OF COMPLIANT STATES.—For  
25 purposes of subsection (a), the laws or regulations of a

1 State are in accordance with this subsection if, under such  
2 laws or regulations (including programs carried out pursu-  
3 ant to the discretion of State officials), both of the policies  
4 described in paragraph (1) are in effect, or both of the  
5 policies described in paragraph (2) are in effect, as follows:

6 “(1)(A) Voluntary opt-out testing of pregnant  
7 women.

8 “(B) Universal testing of newborns.

9 “(2)(A) Voluntary opt-out testing of clients at  
10 sexually transmitted disease clinics.

11 “(B) Voluntary opt-out testing of clients at sub-  
12 stance abuse treatment centers.

13 The Secretary shall periodically ensure that the applicable  
14 policies are being carried out and recertify compliance.

15 “(c) USE OF FUNDS.—A State may use funds pro-  
16 vided under subsection (a) for HIV/AIDS testing (includ-  
17 ing rapid testing), prevention counseling, treatment of  
18 newborns exposed to HIV/AIDS, treatment of mothers in-  
19 fected with HIV/AIDS, and costs associated with linking  
20 those diagnosed with HIV/AIDS to care and treatment for  
21 HIV/AIDS.

22 “(d) APPLICATION.—A State that is eligible for the  
23 grant under subsection (a) shall submit an application to  
24 the Secretary, in such form, in such manner, and con-  
25 taining such information as the Secretary may require.

1       “(e) LIMITATION ON AMOUNT OF GRANT.—A grant  
2 under subsection (a) to a State for a fiscal year may not  
3 be made in an amount exceeding \$10,000,000.

4       “(f) RULE OF CONSTRUCTION.—Nothing in this sec-  
5 tion shall be construed to pre-empt State laws regarding  
6 HIV/AIDS counseling and testing.

7       “(g) DEFINITIONS.—In this section:

8               “(1) The term ‘voluntary opt-out testing’ means  
9 HIV/AIDS testing—

10                   “(A) that is administered to an individual  
11 seeking other health care services; and

12                   “(B) in which—

13                               “(i) pre-test counseling is not required  
14 but the individual is informed that the in-  
15 dividual will receive an HIV/AIDS test and  
16 the individual may opt out of such testing;  
17 and

18                               “(ii) for those individuals with a posi-  
19 tive test result, post-test counseling (in-  
20 cluding referrals for care) is provided and  
21 confidentiality is protected.

22               “(2) The term ‘universal testing of newborns’  
23 means HIV/AIDS testing that is administered with-  
24 in 48 hours of delivery to—

25                   “(A) all infants born in the State; or

1                   “(B) all infants born in the State whose  
2                   mother’s HIV/AIDS status is unknown at the  
3                   time of delivery.

4           “(h) AUTHORIZATION OF APPROPRIATIONS.—Of the  
5 funds appropriated annually to the Centers for Disease  
6 Control and Prevention for HIV/AIDS prevention activi-  
7 ties, \$30,000,000 shall be made available for each of the  
8 fiscal years 2007 through 2011 for grants under sub-  
9 section (a), of which \$20,000,000 shall be made available  
10 for grants to States with the policies described in sub-  
11 section (b)(1), and \$10,000,000 shall be made available  
12 for grants to States with the policies described in sub-  
13 section (b)(2). Funds provided under this section are  
14 available until expended.”.

15 **SEC. 210. CERTAIN PARTNER NOTIFICATION PROGRAMS;**

16 **AUTHORIZATION OF APPROPRIATIONS.**

17       Section 2631(d) of the Public Health Service Act (42  
18 U.S.C. 300ff-38(d)) is amended by striking “there are”  
19 and all that follows and inserting the following: “there is  
20 authorized to be appropriated \$10,000,000 for each of the  
21 fiscal years 2007 through 2011.”.

1                   **TITLE III—EARLY**  
2                   **INTERVENTION SERVICES**

3   **SEC. 301. ESTABLISHMENT OF PROGRAM; CORE MEDICAL**  
4                   **SERVICES.**

5           (a) IN GENERAL.—Section 2651 of the Public Health  
6   Service Act (42 U.S.C. 300ff-51) is amended to read as  
7   follows:

8   **“SEC. 2651. ESTABLISHMENT OF A PROGRAM.**

9           “(a) IN GENERAL.—For the purposes described in  
10   subsection (b), the Secretary, acting through the Adminis-  
11   trator of the Health Resources and Services Administra-  
12   tion, may make grants to public and nonprofit private en-  
13   tities specified in section 2652(a).

14          “(b) REQUIREMENTS.—

15               “(1) IN GENERAL.—The Secretary may not  
16               make a grant under subsection (a) unless the appli-  
17               cant for the grant agrees to expend the grant only  
18               for—

19                       “(A) core medical services described in  
20                       subsection (c);

21                       “(B) support services described in sub-  
22                       section (d); and

23                       “(C) administrative expenses as described  
24                       in section 2664(g)(3).

1           “(2) EARLY INTERVENTION SERVICES.—An ap-  
2           plicant for a grant under subsection (a) shall expend  
3           not less than 50 percent of the amount received  
4           under the grant for the services described in sub-  
5           paragraphs (B) through (E) of subsection (e)(1) for  
6           individuals with HIV/AIDS.

7           “(c) REQUIRED FUNDING FOR CORE MEDICAL SERV-  
8           ICES.—

9           “(1) IN GENERAL.—With respect to a grant  
10          under subsection (a) to an applicant for a fiscal  
11          year, the applicant shall, of the portion of the grant  
12          remaining after reserving amounts for purposes of  
13          paragraphs (3) and (5) of section 2664(g), use not  
14          less than 75 percent to provide core medical services  
15          that are needed in the area involved for individuals  
16          with HIV/AIDS who are identified and eligible  
17          under this title (including services regarding the co-  
18          occurring conditions of the individuals).

19          “(2) WAIVER.—

20                 “(A) The Secretary shall waive the applica-  
21                 tion of paragraph (1) with respect to an appli-  
22                 cant for a grant if the Secretary determines  
23                 that, within the service area of the applicant—



1 “(i) there are no waiting lists for  
2 AIDS Drug Assistance Program services  
3 under section 2616; and

4 “(ii) core medical services are avail-  
5 able to all individuals with HIV/AIDS  
6 identified and eligible under this title.

7 “(B) NOTIFICATION OF WAIVER STATUS.—  
8 When informing an applicant that a grant  
9 under subsection (a) is being made for a fiscal  
10 year, the Secretary shall inform the applicant  
11 whether a waiver under subparagraph (A) is in  
12 effect for the fiscal year.

13 “(3) CORE MEDICAL SERVICES.—For purposes  
14 of this subsection, the term ‘core medical services’,  
15 with respect to an individual with HIV/AIDS (in-  
16 cluding the co-occurring conditions of the individual)  
17 means the following services:

18 “(A) Outpatient and ambulatory health  
19 services.

20 “(B) AIDS Drug Assistance Program  
21 treatments under section 2616.

22 “(C) AIDS pharmaceutical assistance.

23 “(D) Oral health care.

24 “(E) Early intervention services described  
25 in subsection (e).

1           “(F) Health insurance premium and cost  
2           sharing assistance for low-income individuals in  
3           accordance with section 2615.

4           “(G) Home health care.

5           “(H) Medical nutrition therapy.

6           “(I) Hospice services.

7           “(J) Home and community-based health  
8           services as defined under section 2614(c).

9           “(K) Mental health services.

10          “(L) Substance abuse outpatient care.

11          “(M) Medical case management, including  
12          treatment adherence services.

13          “(d) SUPPORT SERVICES.—

14               “(1) IN GENERAL.—For purposes of this sec-  
15          tion, the term ‘support services’ means services, sub-  
16          ject to the approval of the Secretary, that are need-  
17          ed for individuals with HIV/AIDS to achieve their  
18          medical outcomes (such as respite care for persons  
19          caring for individuals with HIV/AIDS, outreach  
20          services, medical transportation, linguistic services,  
21          and referrals for health care and support services).

22               “(2) DEFINITION OF MEDICAL OUTCOMES.—In  
23          this section, the term ‘medical outcomes’ means  
24          those outcomes affecting the HIV-related clinical  
25          status of an individual with HIV/AIDS.

1       “(e) SPECIFICATION OF EARLY INTERVENTION  
2 SERVICES.—

3               “(1) IN GENERAL.—The early intervention serv-  
4 ices referred to in this section are—

5                       “(A) counseling individuals with respect to  
6 HIV/AIDS in accordance with section 2662;

7                       “(B) testing individuals with respect to  
8 HIV/AIDS, including tests to confirm the pres-  
9 ence of the disease, tests to diagnose the extent  
10 of the deficiency in the immune system, and  
11 tests to provide information on appropriate  
12 therapeutic measures for preventing and treat-  
13 ing the deterioration of the immune system and  
14 for preventing and treating conditions arising  
15 from HIV/AIDS;

16                       “(C) referrals described in paragraph (2);

17                       “(D) other clinical and diagnostic services  
18 regarding HIV/AIDS, and periodic medical  
19 evaluations of individuals with HIV/AIDS; and

20                       “(E) providing the therapeutic measures  
21 described in subparagraph (B).

22               “(2) REFERRALS.—The services referred to in  
23 paragraph (1)(C) are referrals of individuals with  
24 HIV/AIDS to appropriate providers of health and  
25 support services, including, as appropriate—

1           “(A) to entities receiving amounts under  
2           part A or B for the provision of such services;

3           “(B) to biomedical research facilities of in-  
4           stitutions of higher education that offer experi-  
5           mental treatment for such disease, or to com-  
6           munity-based organizations or other entities  
7           that provide such treatment; or

8           “(C) to grantees under section 2671, in  
9           the case of a pregnant woman.

10          “(3) REQUIREMENT OF AVAILABILITY OF ALL  
11          EARLY INTERVENTION SERVICES THROUGH EACH  
12          GRANTEE.—

13               “(A) IN GENERAL.—The Secretary may  
14               not make a grant under subsection (a) unless  
15               the applicant for the grant agrees that each of  
16               the early intervention services specified in para-  
17               graph (2) will be available through the grantee.  
18               With respect to compliance with such agree-  
19               ment, such a grantee may expend the grant to  
20               provide the early intervention services directly,  
21               and may expend the grant to enter into agree-  
22               ments with public or nonprofit private entities,  
23               or private for-profit entities if such entities are  
24               the only available provider of quality HIV care

1 in the area, under which the entities provide the  
2 services.

3 “(B) OTHER REQUIREMENTS.—Grantees  
4 described in—

5 “(i) subparagraphs (A), (D), (E), and  
6 (F) of section 2652(a)(1) shall use not less  
7 than 50 percent of the amount of such a  
8 grant to provide the services described in  
9 subparagraphs (A), (B), (D), and (E) of  
10 paragraph (1) directly and on-site or at  
11 sites where other primary care services are  
12 rendered; and

13 “(ii) subparagraphs (B) and (C) of  
14 section 2652(a)(1) shall ensure the avail-  
15 ability of early intervention services  
16 through a system of linkages to commu-  
17 nity-based primary care providers, and to  
18 establish mechanisms for the referrals de-  
19 scribed in paragraph (1)(C), and for fol-  
20 low-up concerning such referrals.”.

21 (b) ADMINISTRATIVE EXPENSES; CLINICAL QUALITY  
22 MANAGEMENT PROGRAM.—Section 2664(g) of the Public  
23 Health Service Act (42 U.S.C. 300ff-64(g)) is amended—  
24 (1) in paragraph (3), by amending the para-  
25 graph to read as follows:

1 “(3) the applicant will not expend more than 10  
2 percent of the grant for administrative expenses with  
3 respect to the grant, including planning and evalua-  
4 tion, except that the costs of a clinical quality man-  
5 agement program under paragraph (5) may not be  
6 considered administrative expenses for purposes of  
7 such limitation;” and

8 (2) in paragraph (5), by inserting “clinical” be-  
9 fore “quality management”.

10 **SEC. 302. ELIGIBLE ENTITIES; PREFERENCES; PLANNING**  
11 **AND DEVELOPMENT GRANTS.**

12 (a) MINIMUM QUALIFICATION OF GRANTEES.—Sec-  
13 tion 2652(a) of the Public Health Service Act (42 U.S.C.  
14 300ff-52(a)) is amended to read as follows:

15 “(a) ELIGIBLE ENTITIES.—

16 “(1) IN GENERAL.—The entities referred to in  
17 section 2651(a) are public entities and nonprofit pri-  
18 vate entities that are—

19 “(A) federally-qualified health centers  
20 under section 1905(l)(2)(B) of the Social Secu-  
21 rity Act;

22 “(B) grantees under section 1001 (regard-  
23 ing family planning) other than States;

24 “(C) comprehensive hemophilia diagnostic  
25 and treatment centers;

1 “(D) rural health clinics;

2 “(E) health facilities operated by or pursu-  
3 ant to a contract with the Indian Health Serv-  
4 ice;

5 “(F) nonprofit private entities that provide  
6 comprehensive primary care services to popu-  
7 lations at risk of HIV/AIDS, including faith-  
8 based and community-based organizations.

9 “(2) UNDERSERVED POPULATIONS.—Entities  
10 described in paragraph (1) shall serve underserved  
11 populations which may include minority populations  
12 and Native American populations, ex-offenders, indi-  
13 viduals with comorbidities including hepatitis B or  
14 C, mental illness, or substance abuse, low-income  
15 populations, inner city populations, and rural popu-  
16 lations.”.

17 (b) PREFERENCES IN MAKING GRANTS.—Section  
18 2653 of the Public Health Service Act (42 U.S.C. 300ff-  
19 53) is amended—

20 (1) in subsection (b)(1)—

21 (A) in subparagraph (A), by striking “ac-  
22 quired immune deficiency syndrome” and in-  
23 serting “HIV/AIDS”; and

24 (B) in subparagraph (D), by inserting be-  
25 fore the semicolon the following: “and the num-

1           ber of cases of individuals co-infected with HIV/  
2           AIDS and hepatitis B or C”; and

3           (2) in subsection (d)(2), by striking “special  
4           consideration” and inserting “preference”.

5           (c) PLANNING AND DEVELOPMENT GRANTS.—Sec-  
6           tion 2654(c) of the Public Health Service Act (42 U.S.C.  
7           300ff-54(c)) is amended—

8           (1) in paragraph (1)—

9                   (A) in subparagraph (A), by striking  
10                  “HIV”; and

11                  (B) in subparagraph (B), by striking  
12                  “HIV” and inserting “HIV/AIDS”; and

13           (2) in paragraph (3), by striking “or under-  
14           served communities” and inserting “areas or to un-  
15           derserved populations”.

16   **SEC. 303. AUTHORIZATION OF APPROPRIATIONS.**

17           Section 2655 of the Public Health Service Act (42  
18           U.S.C. 300ff-55) is amended by striking “such sums” and  
19           all that follows through “2005” and inserting “,  
20           \$218,600,000 for fiscal year 2007, \$226,700,000 for fis-  
21           cal year 2008, \$235,100,000 for fiscal year 2009,  
22           \$243,800,000 for fiscal year 2010, and \$252,800,000 for  
23           fiscal year 2011”.



1 **SEC. 304. CONFIDENTIALITY AND INFORMED CONSENT.**

2 Section 2661 of the Public Health Service Act (42  
3 U.S.C. 300ff–61) is amended to read as follows:

4 **“SEC. 2661. CONFIDENTIALITY AND INFORMED CONSENT.**

5 “(a) CONFIDENTIALITY.—The Secretary may not  
6 make a grant under this part unless, in the case of any  
7 entity applying for a grant under section 2651, the entity  
8 agrees to ensure that information regarding the receipt  
9 of early intervention services pursuant to the grant is  
10 maintained confidentially in a manner not inconsistent  
11 with applicable law.

12 “(b) INFORMED CONSENT.—The Secretary may not  
13 make a grant under this part unless the applicant for the  
14 grant agrees that, in testing an individual for HIV/AIDS,  
15 the applicant will test an individual only after the indi-  
16 vidual confirms that the decision of the individual with re-  
17 spect to undergoing such testing is voluntarily made.”.

18 **SEC. 305. PROVISION OF CERTAIN COUNSELING SERVICES.**

19 Section 2662 of the Public Health Service Act (42  
20 U.S.C. 300ff–62) is amended to read as follows:

21 **“SEC. 2662. PROVISION OF CERTAIN COUNSELING SERV-  
22 ICES.**

23 “(a) COUNSELING OF INDIVIDUALS WITH NEGATIVE  
24 TEST RESULTS.—The Secretary may not make a grant  
25 under this part unless the applicant for the grant agrees  
26 that, if the results of testing conducted for HIV/AIDS in-

1     icate that an individual does not have such condition, the  
2     applicant will provide the individual information, includ-  
3     ing—

4             “(1) measures for prevention of, exposure to,  
5     and transmission of HIV/AIDS, hepatitis B, hepa-  
6     titis C, and other sexually transmitted diseases;

7             “(2) the accuracy and reliability of results of  
8     testing for HIV/AIDS, hepatitis B, and hepatitis C;

9             “(3) the significance of the results of such test-  
10    ing, including the potential for developing AIDS,  
11    hepatitis B, or hepatitis C;

12            “(4) the appropriateness of further counseling,  
13    testing, and education of the individual regarding  
14    HIV/AIDS and other sexually transmitted diseases;

15            “(5) if diagnosed with chronic hepatitis B or  
16    hepatitis C co-infection, the potential of developing  
17    hepatitis-related liver disease and its impact on HIV/  
18    AIDS; and

19            “(6) information regarding the availability of  
20    hepatitis B vaccine and information about hepatitis  
21    treatments.

22            “(b) COUNSELING OF INDIVIDUALS WITH POSITIVE  
23    TEST RESULTS.—The Secretary may not make a grant  
24    under this part unless the applicant for the grant agrees  
25    that, if the results of testing for HIV/AIDS indicate that

1 the individual has such condition, the applicant will pro-  
2 vide to the individual appropriate counseling regarding the  
3 condition, including—

4 “(1) information regarding—

5 “(A) measures for prevention of, exposure  
6 to, and transmission of HIV/AIDS, hepatitis B,  
7 and hepatitis C;

8 “(B) the accuracy and reliability of results  
9 of testing for HIV/AIDS, hepatitis B, and hep-  
10 atitis C; and

11 “(C) the significance of the results of such  
12 testing, including the potential for developing  
13 AIDS, hepatitis B, or hepatitis C;

14 “(2) reviewing the appropriateness of further  
15 counseling, testing, and education of the individual  
16 regarding HIV/AIDS and other sexually transmitted  
17 diseases; and

18 “(3) providing counseling—

19 “(A) on the availability, through the appli-  
20 cant, of early intervention services;

21 “(B) on the availability in the geographic  
22 area of appropriate health care, mental health  
23 care, and social and support services, including  
24 providing referrals for such services, as appro-  
25 priate;

1           “(C)(i) that explains the benefits of locat-  
2           ing and counseling any individual by whom the  
3           infected individual may have been exposed to  
4           HIV/AIDS, hepatitis B, or hepatitis C and any  
5           individual whom the infected individual may  
6           have exposed to HIV/AIDS, hepatitis B, or hep-  
7           atitis C; and

8           “(ii) that emphasizes it is the duty of in-  
9           fected individuals to disclose their infected sta-  
10          tus to their sexual partners and their partners  
11          in the sharing of hypodermic needles; that pro-  
12          vides advice to infected individuals on the man-  
13          ner in which such disclosures can be made; and  
14          that emphasizes that it is the continuing duty  
15          of the individuals to avoid any behaviors that  
16          will expose others to HIV/AIDS, hepatitis B, or  
17          hepatitis C; and

18          “(D) on the availability of the services of  
19          public health authorities with respect to locat-  
20          ing and counseling any individual described in  
21          subparagraph (C);

22          “(4) if diagnosed with chronic hepatitis B or  
23          hepatitis C co-infection, the potential of developing  
24          hepatitis-related liver disease and its impact on HIV/  
25          AIDS; and

1           “(5) information regarding the availability of  
2       hepatitis B vaccine.

3       “(c) ADDITIONAL REQUIREMENTS REGARDING AP-  
4 PROPRIATE COUNSELING.—The Secretary may not make  
5 a grant under this part unless the applicant for the grant  
6 agrees that, in counseling individuals with respect to HIV/  
7 AIDS, the applicant will ensure that the counseling is pro-  
8 vided under conditions appropriate to the needs of the in-  
9 dividuals.

10       “(d) COUNSELING OF EMERGENCY RESPONSE EM-  
11 PLOYEES.—The Secretary may not make a grant under  
12 this part to a State unless the State agrees that, in coun-  
13 seling individuals with respect to HIV/AIDS, the State will  
14 ensure that, in the case of emergency response employees,  
15 the counseling is provided to such employees under condi-  
16 tions appropriate to the needs of the employees regarding  
17 the counseling.

18       “(e) RULE OF CONSTRUCTION REGARDING COUN-  
19 SELING WITHOUT TESTING.—Agreements made pursuant  
20 to this section may not be construed to prohibit any grant-  
21 ee under this part from expending the grant for the pur-  
22 pose of providing counseling services described in this sec-  
23 tion to an individual who does not undergo testing for  
24 HIV/AIDS as a result of the grantee or the individual de-

1 termining that such testing of the individual is not appro-  
2 priate.”.

3 **SEC. 306. GENERAL PROVISIONS.**

4 (a) APPLICABILITY OF CERTAIN REQUIREMENTS.—  
5 Section 2663 of the Public Health Service Act (42 U.S.C.  
6 300ff-63) is amended by striking “will, without” and all  
7 that follows through “be carried” and inserting “with  
8 funds appropriated through this Act will be carried”.

9 (b) ADDITIONAL REQUIRED AGREEMENTS.—Section  
10 2664(a) of the Public Health Service Act (42 U.S.C.  
11 300ff-64(a)) is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (A), by striking  
14 “and” at the end;

15 (B) in subparagraph (B), by striking  
16 “and” at the end; and

17 (C) by adding at the end the following:

18 “(C) information regarding how the ex-  
19 pected expenditures of the grant are related to  
20 the planning process for localities funded under  
21 part A (including the planning process de-  
22 scribed in section 2602) and for States funded  
23 under part B (including the planning process  
24 described in section 2617(b)); and

1           “(D) a specification of the expected ex-  
2           penditures and how those expenditures will im-  
3           prove overall client outcomes, as described in  
4           the State plan under section 2617(b);”;

5           (2) in paragraph (2), by striking the period and  
6           inserting a semicolon; and

7           (3) by adding at the end the following:

8           “(3) the applicant agrees to provide additional  
9           documentation to the Secretary regarding the proc-  
10          ess used to obtain community input into the design  
11          and implementation of activities related to such  
12          grant; and

13          “(4) the applicant agrees to submit, every 2  
14          years, to the lead State agency under section  
15          2617(b)(4) audits, consistent with Office of Manage-  
16          ment and Budget circular A133, regarding funds ex-  
17          pended in accordance with this title and shall in-  
18          clude necessary client level data to complete unmet  
19          need calculations and Statewide coordinated state-  
20          ments of need process.”.

21          (c) PAYER OF LAST RESORT.—Section 2664(f)(1)(A)  
22          of the Public Health Service Act (42 U.S.C. 300ff-  
23          64(f)(1)(A)) is amended by inserting “(except for a pro-  
24          gram administered by or providing the services of the In-  
25          dian Health Service)” before the semicolon.

1       **TITLE IV—WOMEN, INFANTS,**  
2       **CHILDREN, AND YOUTH**

3       **SEC. 401. WOMEN, INFANTS, CHILDREN, AND YOUTH.**

4       Part D of title XXVI of the Public Health Service  
5       Act (42 U.S.C. 300ff-71 et seq.) is amended to read as  
6       follows:

7       **“PART D—WOMEN, INFANTS, CHILDREN, AND**  
8       **YOUTH**

9       **“SEC. 2671. GRANTS FOR COORDINATED SERVICES AND AC-**  
10       **CESS TO RESEARCH FOR WOMEN, INFANTS,**  
11       **CHILDREN, AND YOUTH.**

12       “(a) IN GENERAL.—The Secretary, acting through  
13       the Administrator of the Health Resources and Services  
14       Administration, shall award grants to public and nonprofit  
15       private entities (including a health facility operated by or  
16       pursuant to a contract with the Indian Health Service)  
17       for the purpose of providing family-centered care involving  
18       outpatient or ambulatory care (directly or through con-  
19       tracts) for women, infants, children, and youth with HIV/  
20       AIDS.

21       “(b) ADDITIONAL SERVICES FOR PATIENTS AND  
22       FAMILIES.—Funds provided under grants awarded under  
23       subsection (a) may be used for the following support serv-  
24       ices:



1           “(1) Family-centered care including case man-  
2           agement.

3           “(2) Referrals for additional services includ-  
4           ing—

5                   “(A) referrals for inpatient hospital serv-  
6           ices, treatment for substance abuse, and mental  
7           health services; and

8                   “(B) referrals for other social and support  
9           services, as appropriate.

10           “(3) Additional services necessary to enable the  
11           patient and the family to participate in the program  
12           established by the applicant pursuant to such sub-  
13           section including services designed to recruit and re-  
14           tain youth with HIV.

15           “(4) The provision of information and edu-  
16           cation on opportunities to participate in HIV/AIDS-  
17           related clinical research.

18           “(c) COORDINATION WITH OTHER ENTITIES.—A  
19           grant awarded under subsection (a) may be made only if  
20           the applicant provides an agreement that includes the fol-  
21           lowing:

22                   “(1) The applicant will coordinate activities  
23           under the grant with other providers of health care  
24           services under this Act, and under title V of the So-  
25           cial Security Act, including programs promoting the

1 reduction and elimination of risk of HIV/AIDS for  
2 youth.

3 “(2) The applicant will participate in the state-  
4 wide coordinated statement of need under part B  
5 (where it has been initiated by the public health  
6 agency responsible for administering grants under  
7 part B) and in revisions of such statement.

8 “(3) The applicant will every 2 years submit to  
9 the lead State agency under section 2617(b)(4) au-  
10 dits regarding funds expended in accordance with  
11 this title and shall include necessary client-level data  
12 to complete unmet need calculations and Statewide  
13 coordinated statements of need process.

14 “(d) ADMINISTRATION; APPLICATION.—A grant may  
15 only be awarded to an entity under subsection (a) if an  
16 application for the grant is submitted to the Secretary and  
17 the application is in such form, is made in such manner,  
18 and contains such agreements, assurances, and informa-  
19 tion as the Secretary determines to be necessary to carry  
20 out this section. Such application shall include the fol-  
21 lowing:

22 “(1) Information regarding how the expected  
23 expenditures of the grant are related to the planning  
24 process for localities funded under part A (including  
25 the planning process outlined in section 2602) and

1 for States funded under part B (including the plan-  
2 ning process outlined in section 2617(b)).

3 “(2) A specification of the expected expendi-  
4 tures and how those expenditures will improve over-  
5 all patient outcomes, as outlined as part of the State  
6 plan (under section 2617(b)) or through additional  
7 outcome measures.

8 “(e) ANNUAL REVIEW OF PROGRAMS; EVALUA-  
9 TIONS.—

10 “(1) REVIEW REGARDING ACCESS TO AND PAR-  
11 TICIPATION IN PROGRAMS.—With respect to a grant  
12 under subsection (a) for an entity for a fiscal year,  
13 the Secretary shall, not later than 180 days after  
14 the end of the fiscal year, provide for the conduct  
15 and completion of a review of the operation during  
16 the year of the program carried out under such sub-  
17 section by the entity. The purpose of such review  
18 shall be the development of recommendations, as ap-  
19 propriate, for improvements in the following:

20 “(A) Procedures used by the entity to allo-  
21 cate opportunities and services under subsection  
22 (a) among patients of the entity who are  
23 women, infants, children, or youth.

1           “(B) Other procedures or policies of the  
2           entity regarding the participation of such indi-  
3           viduals in such program.

4           “(2) EVALUATIONS.—The Secretary shall, di-  
5           rectly or through contracts with public and private  
6           entities, provide for evaluations of programs carried  
7           out pursuant to subsection (a).

8           “(f) ADMINISTRATIVE EXPENSES.—

9           “(1) LIMITATION.—A grantee may not use  
10          more than 10 percent of amounts received under a  
11          grant awarded under this section for administrative  
12          expenses.

13          “(2) CLINICAL QUALITY MANAGEMENT PRO-  
14          GRAM.—A grantee under this section shall imple-  
15          ment a clinical quality management program to as-  
16          sess the extent to which HIV health services pro-  
17          vided to patients under the grant are consistent with  
18          the most recent Public Health Service guidelines for  
19          the treatment of HIV/AIDS and related opportuni-  
20          stic infection, and as applicable, to develop strate-  
21          gies for ensuring that such services are consistent  
22          with the guidelines for improvement in the access to  
23          and quality of HIV health services.

24          “(g) TRAINING AND TECHNICAL ASSISTANCE.—

25          From the amounts appropriated under subsection (i) for

1 a fiscal year, the Secretary may use not more than 5 per-  
2 cent to provide, directly or through contracts with public  
3 and private entities (which may include grantees under  
4 subsection (a)), training and technical assistance to assist  
5 applicants and grantees under subsection (a) in complying  
6 with the requirements of this section.

7 “(h) DEFINITIONS.—In this section:

8 “(1) ADMINISTRATIVE EXPENSES.—The term  
9 ‘administrative expenses’ means funds that are to be  
10 used by grantees for grant management and moni-  
11 toring activities, including costs related to any staff  
12 or activity unrelated to services or indirect costs.

13 “(2) INDIRECT COSTS.—The term ‘indirect  
14 costs’ means costs included in a Federally negotiated  
15 indirect rate.

16 “(3) SERVICES.—The term ‘services’ means—

17 “(A) services that are provided to clients to  
18 meet the goals and objectives of the program  
19 under this section, including the provision of  
20 professional, diagnostic, and therapeutic serv-  
21 ices by a primary care provider or a referral to  
22 and provision of specialty care; and

23 “(B) services that sustain program activity  
24 and contribute to or help improve services  
25 under subparagraph (A).

1       “(i) AUTHORIZATION OF APPROPRIATIONS.—For the  
2 purpose of carrying out this section, there are authorized  
3 to be appropriated, \$71,800,000 for each of the fiscal  
4 years 2007 through 2011.”.

5 **SEC. 402. GAO REPORT.**

6       Not later than 24 months after the date of enactment  
7 of this Act, the Comptroller General of the Government  
8 Accountability Office shall conduct an evaluation, and sub-  
9 mit to Congress a report, concerning the funding provided  
10 for under part D of title XXVI of the Public Health Serv-  
11 ice Act to determine—

12           (1) how funds are used to provide the adminis-  
13 trative expenses, indirect costs, and services, as de-  
14 fined in section 2671(h) of such title, for individuals  
15 with HIV/AIDS;

16           (2) how funds are used to provide the adminis-  
17 trative expenses, indirect costs, and services, as de-  
18 fined in section 2671(h) of such title, to family  
19 members of women, infants, children, and youth in-  
20 fected with HIV/AIDS;

21           (3) how funds are used to provide family-cen-  
22 tered care involving outpatient or ambulatory care  
23 authorized under section 2671(a) of such title;

1 (4) how funds are used to provide additional  
2 services authorized under section 2671(b) of such  
3 title; and

4 (5) how funds are used to help identify HIV-  
5 positive pregnant women and their children who are  
6 exposed to HIV and connect them with care that can  
7 improve their health and prevent perinatal trans-  
8 mission.

## 9 **TITLE V—GENERAL PROVISIONS**

### 10 **SEC. 501. GENERAL PROVISIONS.**

11 Part E of title XXVI of the Public Health Service  
12 Act (42 U.S.C. 300ff-80 et seq.) is amended to read as  
13 follows:

#### 14 **“PART E—GENERAL PROVISIONS**

##### 15 **“SEC. 2681. COORDINATION.**

16 “(a) REQUIREMENT.—The Secretary shall ensure  
17 that the Health Resources and Services Administration,  
18 the Centers for Disease Control and Prevention, the Sub-  
19 stance Abuse and Mental Health Services Administration,  
20 and the Centers for Medicare & Medicaid Services coordi-  
21 nate the planning, funding, and implementation of Federal  
22 HIV programs (including all minority AIDS initiatives of  
23 the Public Health Service, including under section 2693)  
24 to enhance the continuity of care and prevention services  
25 for individuals with HIV/AIDS or those at risk of such

1 disease. The Secretary shall consult with other Federal  
2 agencies, including the Department of Veterans Affairs,  
3 as needed and utilize planning information submitted to  
4 such agencies by the States and entities eligible for assist-  
5 ance under this title.

6 “(b) REPORT.—The Secretary shall biennially pre-  
7 pare and submit to the appropriate committees of the Con-  
8 gress a report concerning the coordination efforts at the  
9 Federal, State, and local levels described in this section,  
10 including a description of Federal barriers to HIV pro-  
11 gram integration and a strategy for eliminating such bar-  
12 riers and enhancing the continuity of care and prevention  
13 services for individuals with HIV/AIDS or those at risk  
14 of such disease.

15 “(c) INTEGRATION BY STATE.—As a condition of re-  
16 ceipt of funds under this title, a State shall provide assur-  
17 ances to the Secretary that health support services funded  
18 under this title will be integrated with other such services,  
19 that programs will be coordinated with other available pro-  
20 grams (including Medicaid), and that the continuity of  
21 care and prevention services of individuals with HIV/AIDS  
22 is enhanced.

23 “(d) INTEGRATION BY LOCAL OR PRIVATE ENTI-  
24 TIES.—As a condition of receipt of funds under this title,  
25 a local government or private nonprofit entity shall provide



1 assurances to the Secretary that services funded under  
2 this title will be integrated with other such services, that  
3 programs will be coordinated with other available pro-  
4 grams (including Medicaid), and that the continuity of  
5 care and prevention services of individuals with HIV is  
6 enhanced.

7 **“SEC. 2682. AUDITS.**

8       “(a) IN GENERAL.—For fiscal year 2009, and each  
9 subsequent fiscal year, the Secretary may reduce the  
10 amounts of grants under this title to a State or political  
11 subdivision of a State for a fiscal year if, with respect to  
12 such grants for the second preceding fiscal year, the State  
13 or subdivision fails to prepare audits in accordance with  
14 the procedures of section 7502 of title 31, United States  
15 Code. The Secretary shall annually select representative  
16 samples of such audits, prepare summaries of the selected  
17 audits, and submit the summaries to the Congress.

18       “(b) POSTING ON THE INTERNET.—All audits that  
19 the Secretary receives from the State lead agency under  
20 section 2617(b)(4) shall be posted, in their entirety, on  
21 the Internet website of the Health Resources and Services  
22 Administration.

23 **“SEC. 2683. PUBLIC HEALTH EMERGENCY.**

24       “(a) IN GENERAL.—In an emergency area and dur-  
25 ing an emergency period, the Secretary shall have the au-

1   thority to waive such requirements of this title to improve  
2   the health and safety of those receiving care under this  
3   title and the general public, except that the Secretary may  
4   not expend more than 5 percent of the funds allocated  
5   under this title for sections 2620 and section 2603(b).

6       “(b) EMERGENCY AREA AND EMERGENCY PE-  
7   RIOD.—In this section:

8           “(1) EMERGENCY AREA.—The term ‘emergency  
9       area’ means a geographic area in which there ex-  
10      ists—

11           “(A) an emergency or disaster declared by  
12       the President pursuant to the National Emer-  
13       gencies Act or the Robert T. Stafford Disaster  
14       Relief and Emergency Assistance Act; or

15           “(B) a public health emergency declared  
16       by the Secretary pursuant to section 319.

17       “(2) EMERGENCY PERIOD.—The term ‘emer-  
18      gency period’ means the period in which there ex-  
19      ists—

20           “(A) an emergency or disaster declared by  
21       the President pursuant to the National Emer-  
22       gencies Act or the Robert T. Stafford Disaster  
23       Relief and Emergency Assistance Act; or

24           “(B) a public health emergency declared  
25       by the Secretary pursuant to section 319.

1       “(c) UNOBLIGATED FUNDS.—If funds under a grant  
2 under this section are not expended for an emergency in  
3 the fiscal year in which the emergency is declared, such  
4 funds shall be returned to the Secretary for reallocation  
5 under sections 2603(b) and 2620.

6       **“SEC. 2684. PROHIBITION ON PROMOTION OF CERTAIN AC-**  
7                               **TIVITIES.**

8       “None of the funds appropriated under this title shall  
9 be used to fund AIDS programs, or to develop materials,  
10 designed to promote or encourage, directly, intravenous  
11 drug use or sexual activity, whether homosexual or hetero-  
12 sexual. Funds authorized under this title may be used to  
13 provide medical treatment and support services for indi-  
14 viduals with HIV.

15       **“SEC. 2685. PRIVACY PROTECTIONS.**

16       “(a) IN GENERAL.—The Secretary shall ensure that  
17 any information submitted to, or collected by, the Sec-  
18 retary under this title excludes any personally identifiable  
19 information.

20       “(b) DEFINITION.—In this section, the term ‘person-  
21 ally identifiable information’ has the meaning given such  
22 term under the regulations promulgated under section  
23 264(c) of the Health Insurance Portability and Account-  
24 ability Act of 1996.

1   **“SEC. 2686. GAO REPORT.**

2           “The Comptroller General of the Government Ac-  
3   countability Office shall biennially submit to the appro-  
4   priate committees of Congress a report that includes a de-  
5   scription of Federal, State, and local barriers to HIV pro-  
6   gram integration, particularly for racial and ethnic minori-  
7   ties, including activities carried out under subpart III of  
8   part F, and recommendations for enhancing the continuity  
9   of care and the provision of prevention services for individ-  
10   uals with HIV/AIDS or those at risk for such disease.  
11   Such report shall include a demonstration of the manner  
12   in which funds under this subpart are being expended and  
13   to what extent the services provided with such funds in-  
14   crease access to prevention and care services for individ-  
15   uals with HIV/AIDS and build stronger community link-  
16   ages to address HIV prevention and care for racial and  
17   ethnic minority communities.

18   **“SEC. 2687. DEFINITIONS.**

19           “For purposes of this title:

20               “(1) AIDS.—The term ‘AIDS’ means acquired  
21   immune deficiency syndrome.

22               “(2) CO-OCCURRING CONDITIONS.—The term  
23   ‘co-occurring conditions’ means one or more adverse  
24   health conditions in an individual with HIV/AIDS,  
25   without regard to whether the individual has AIDS

1       and without regard to whether the conditions arise  
2       from HIV.

3           “(3) COUNSELING.—The term ‘counseling’  
4       means such counseling provided by an individual  
5       trained to provide such counseling.

6           “(4) FAMILY-CENTERED CARE.—The term  
7       ‘family-centered care’ means the system of services  
8       described in this title that is targeted specifically to  
9       the special needs of infants, children, women and  
10      families. Family-centered care shall be based on a  
11      partnership between parents, professionals, and the  
12      community designed to ensure an integrated, coordi-  
13      nated, culturally sensitive, and community-based  
14      continuum of care for children, women, and families  
15      with HIV/AIDS.

16          “(5) FAMILIES WITH HIV/AIDS.—The term  
17      ‘families with HIV/AIDS’ means families in which  
18      one or more members have HIV/AIDS.

19          “(6) HIV.—The term ‘HIV’ means infection  
20      with the human immunodeficiency virus.

21          “(7) HIV/AIDS.—

22           “(A) IN GENERAL.—The term ‘HIV/AIDS’  
23      means HIV, and includes AIDS and any condi-  
24      tion arising from AIDS.

1                   “(B) COUNTING OF CASES.—The term ‘liv-  
2                   ing cases of HIV/AIDS’, with respect to the  
3                   counting of cases in a geographic area during  
4                   a period of time, means the sum of—

5                   “(i) the number of living non-AIDS  
6                   cases of HIV in the area; and

7                   “(ii) the number of living cases of  
8                   AIDS in the area.

9                   “(C) NON-AIDS CASES.—The term ‘non-  
10                  AIDS’, with respect to a case of HIV, means  
11                  that the individual involved has HIV but does  
12                  not have AIDS.

13                  “(8) HUMAN IMMUNODEFICIENCY VIRUS.—The  
14                  term ‘human immunodeficiency virus’ means the  
15                  etiologic agent for AIDS.

16                  “(9) OFFICIAL POVERTY LINE.—The term ‘offi-  
17                  cial poverty line’ means the poverty line established  
18                  by the Director of the Office of Management and  
19                  Budget and revised by the Secretary in accordance  
20                  with section 673(2) of the Omnibus Budget Rec-  
21                  onciliation Act of 1981.

22                  “(10) PERSON.—The term ‘person’ includes one  
23                  or more individuals, governments (including the  
24                  Federal Government and the governments of the  
25                  States), governmental agencies, political subdivi-

1 sions, labor unions, partnerships, associations, cor-  
2 porations, legal representatives, mutual companies,  
3 joint-stock companies, trusts, unincorporated organi-  
4 zations, receivers, trustees, and trustees in cases  
5 under title 11, United States Code.

6 “(11) STATE.—

7 “(A) IN GENERAL.—The term ‘State’  
8 means each of the 50 States, the District of Co-  
9 lumbia, and each of the territories.

10 “(B) TERRITORIES.—The term ‘territory’  
11 means each of American Samoa, Guam, the  
12 Commonwealth of Puerto Rico, the Common-  
13 wealth of the Northern Mariana Islands, the  
14 Virgin Islands, the Republic of the Marshall Is-  
15 lands, the Federated States of Micronesia, and  
16 Palau.

17 “(12) YOUTH WITH HIV.—The term ‘youth with  
18 HIV’ means individuals who are 13 through 24  
19 years old and who have HIV/AIDS.”.

## 20 **TITLE VI—DEMONSTRATION** 21 **AND TRAINING**

### 22 **SEC. 601. DEMONSTRATION AND TRAINING.**

23 Subpart I of part F of title XXVI of the Public  
24 Health Service Act (42 U.S.C. 300ff-101 et seq.) is  
25 amended to read as follows:

1 **“Subpart I—Special Projects of National Significance**

2 **“SEC. 2691. SPECIAL PROJECTS OF NATIONAL SIGNIFI-**  
3 **CANCE.**

4 “(a) IN GENERAL.—Of the amount appropriated  
5 under each of parts A, B, C, and D for each fiscal year,  
6 the Secretary shall use the greater of \$20,000,000 or an  
7 amount equal to 3 percent of such amount appropriated  
8 under each such part, but not to exceed \$25,000,000, to  
9 administer special projects of national significance to—

10 “(1) quickly respond to emerging needs of indi-  
11 viduals receiving assistance under this title; and

12 “(2) to fund special programs to develop a  
13 standard electronic client information data system to  
14 improve the ability of grantees under this title to re-  
15 port client-level data to the Secretary.

16 “(b) GRANTS.—The Secretary shall award grants  
17 under subsection (a) to entities eligible for funding under  
18 parts A, B, C, and D based on—

19 “(1) whether the funding will promote obtaining cli-  
20 ent level data as it relates to the creation of a severity  
21 of need index under section 2618(a)(2)(E), including  
22 funds to facilitate the purchase and enhance the utilization  
23 of qualified health information technology systems;

24 “(2) demonstrated ability to create and maintain a  
25 qualified health information technology system;



1 “(3) the potential replicability of the proposed activ-  
2 ity in other similar localities or nationally;

3 “(4) the demonstrated reliability of the proposed  
4 qualified health information technology system across a  
5 variety of providers, geographic regions, and clients; and

6 “(5) the demonstrated ability to maintain a safe and  
7 secure qualified health information system; or

8 “(6) newly emerging needs of individuals receiving as-  
9 sistance under this title.

10 “(c) COORDINATION.—The Secretary may not make  
11 a grant under this section unless the applicant submits  
12 evidence that the proposed program is consistent with the  
13 statewide coordinated statement of need, and the appli-  
14 cant agrees to participate in the ongoing revision process  
15 of such statement of need.

16 “(d) PRIVACY PROTECTION.—The Secretary may not  
17 make a grant under this section for the development of  
18 a qualified health information technology system unless  
19 the applicant provides assurances to the Secretary that the  
20 system will, at a minimum, comply with the privacy regu-  
21 lations promulgated under section 264(c) of the Health  
22 Insurance Portability and Accountability Act of 1996.

23 “(e) REPLICATION.—The Secretary shall make infor-  
24 mation concerning successful models or programs devel-  
25 oped under this part available to grantees under this title

1 for the purpose of coordination, replication, and integra-  
2 tion. To facilitate efforts under this subsection, the Sec-  
3 retary may provide for peer-based technical assistance for  
4 grantees funded under this part.”.

5 **SEC. 602. AIDS EDUCATION AND TRAINING CENTERS.**

6 (a) AMENDMENTS REGARDING SCHOOLS AND CEN-  
7 TERS.—Section 2692(a)(2) of the Public Health Service  
8 Act (42 U.S.C. 300ff-111(a)(2)) is amended—

9 (1) in subparagraph (A)—

10 (A) by inserting “and Native Americans”  
11 after “minority individuals”; and

12 (B) by striking “and” at the end;

13 (2) in subparagraph (B), by striking the period  
14 and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(C) train or result in the training of  
17 health professionals and allied health profes-  
18 sionals to provide treatment for hepatitis B or  
19 C co-infected individuals.”.

20 (b) AUTHORIZATIONS OF APPROPRIATIONS FOR  
21 SCHOOLS, CENTERS, AND DENTAL PROGRAMS.—Section  
22 2692(c) of the Public Health Service Act (42 U.S.C.  
23 300ff-111(c)) is amended to read as follows:

24 “(c) AUTHORIZATION OF APPROPRIATIONS.—

1           “(1) SCHOOLS; CENTERS.—For the purpose of  
2           awarding grants under subsection (a), there is au-  
3           thorized to be appropriated \$34,700,000 for each of  
4           the fiscal years 2007 through 2011.

5           “(2) DENTAL SCHOOLS.—For the purpose of  
6           awarding grants under subsection (b), there is au-  
7           thorized to be appropriated \$13,000,000 for each of  
8           the fiscal years 2007 through 2011.”.

9   **SEC. 603. CODIFICATION OF MINORITY AIDS INITIATIVE.**

10       Part F of title XXVI of the Public Health Service  
11   Act (42 U.S.C. 300ff–101 et seq.) is amended by adding  
12   at the end the following:

13           **“Subpart III—Minority AIDS Initiative**

14   **“SEC. 2693. MINORITY AIDS INITIATIVE.**

15       “(a) IN GENERAL.—For the purpose of carrying out  
16   activities under this section to evaluate and address the  
17   disproportionate impact of HIV/AIDS on, and the dispari-  
18   ties in access, treatment, care, and outcomes for, racial  
19   and ethnic minorities (including African Americans, Alas-  
20   ka Natives, Latinos, American Indians, Asian Americans,  
21   Native Hawaiians, and Pacific Islanders), there are au-  
22   thorized to be appropriated \$131,200,000 for fiscal year  
23   2007, \$135,100,000 for fiscal year 2008, \$139,100,000  
24   for fiscal year 2009, \$143,200,000 for fiscal year 2010,  
25   and \$147,500,000 for fiscal year 2011.

1 “(b) CERTAIN ACTIVITIES.—

2 “(1) IN GENERAL.—In carrying out the purpose  
3 described in subsection (a), the Secretary shall pro-  
4 vide for—

5 “(A) emergency assistance under part A;

6 “(B) care grants under part B;

7 “(C) early intervention services under part  
8 C;

9 “(D) services through projects for HIV-re-  
10 lated care under part D; and

11 “(E) activities through education and  
12 training centers under section 2692.

13 “(2) ALLOCATIONS AMONG ACTIVITIES.—Activi-  
14 ties under paragraph (1) shall be carried out by the  
15 Secretary in accordance with the following:

16 “(A) For competitive, supplemental grants  
17 to improve HIV-related health outcomes to re-  
18 duce existing racial and ethnic health dispari-  
19 ties, the Secretary shall, of the amount appro-  
20 priated under subsection (a) for a fiscal year,  
21 reserve the following, as applicable:

22 “(i) For fiscal year 2007,  
23 \$43,800,000.

24 “(ii) For fiscal year 2008,  
25 \$45,400,000.

1                   “(iii) For fiscal year 2009,  
2                   \$47,100,000.

3                   “(iv) For fiscal year 2010,  
4                   \$48,800,000.

5                   “(v) For fiscal year 2011,  
6                   \$50,700,000.

7                   “(B) For competitive grants used for sup-  
8                   plemental support education and outreach serv-  
9                   ices to increase the number of eligible racial  
10                  and ethnic minorities who have access to treat-  
11                  ment through the program under section 2616  
12                  for therapeutics, the Secretary shall, of the  
13                  amount appropriated for a fiscal year under  
14                  subsection (a), reserve the following, as applica-  
15                  ble:

16                   “(i) For fiscal year 2007, \$7,000,000.

17                   “(ii) For fiscal year 2008,  
18                   \$7,300,000.

19                   “(iii) For fiscal year 2009,  
20                   \$7,500,000.

21                   “(iv) For fiscal year 2010,  
22                   \$7,800,000.

23                   “(v) For fiscal year 2011, \$8,100,000.

24                   “(C) For planning grants, capacity-build-  
25                  ing grants, and services grants to health care

1 providers who have a history of providing cul-  
2 turally and linguistically appropriate care and  
3 services to racial and ethnic minorities, the Sec-  
4 retary shall, of the amount appropriated for a  
5 fiscal year under subsection (a), reserve the fol-  
6 lowing, as applicable:

7 “(i) For fiscal year 2007,  
8 \$53,400,000.

9 “(ii) For fiscal year 2008,  
10 \$55,400,000.

11 “(iii) For fiscal year 2009,  
12 \$57,400,000.

13 “(iv) For fiscal year 2010,  
14 \$59,500,000.

15 “(v) For fiscal year 2011,  
16 \$61,800,000.

17 “(D) For eliminating racial and ethnic dis-  
18 parities in the delivery of comprehensive, cul-  
19 turally and linguistically appropriate care serv-  
20 ices for HIV disease for women, infants, chil-  
21 dren, and youth, the Secretary shall, of the  
22 amount appropriated under subsection (a), re-  
23 serve \$18,500,000 for each of the fiscal years  
24 2007 through 2011.

1           “(E) For increasing the training capacity  
2           of centers to expand the number of health care  
3           professionals with treatment expertise and  
4           knowledge about the most appropriate stand-  
5           ards of HIV disease-related treatments and  
6           medical care for racial and ethnic minority  
7           adults, adolescents, and children with HIV dis-  
8           ease, the Secretary shall, of the amount appro-  
9           priated under subsection (a), reserve  
10          \$8,500,000 for each of the fiscal years 2007  
11          through 2011.

12          “(c) CONSISTENCY WITH PRIOR PROGRAM.—With  
13          respect to the purpose described in subsection (a), the Sec-  
14          retary shall carry out this section consistent with the ac-  
15          tivities carried out under this title by the Secretary pursu-  
16          ant to the Departments of Labor, Health and Human  
17          Services, and Education, and Related Agencies Appropria-  
18          tions Act, 2002 (Public Law 107–116).”.

## 19           **TITLE VII—MISCELLANEOUS** 20           **PROVISIONS**

### 21          **SEC. 701. HEPATITIS; USE OF FUNDS.**

22          Section 2667 of the Public Health Service Act (42  
23          U.S.C. 300ff-67) is amended—

24                  (1) in paragraph (2), by striking “and” at the  
25          end;

1 (2) in paragraph (3), by striking the period and  
2 inserting “; and”; and

3 (3) by adding at the end the following:

4 “(4) shall provide information on the trans-  
5 mission and prevention of hepatitis A, B, and C, in-  
6 cluding education about the availability of hepatitis  
7 A and B vaccines and assisting patients in identi-  
8 fying vaccination sites.”.

9 **SEC. 702. CERTAIN REFERENCES.**

10 Title XXVI of the Public Health Service Act (42  
11 U.S.C. 300ff et seq.) is amended—

12 (1) by striking “acquired immune deficiency  
13 syndrome” each place such term appears, other than  
14 in section 2687(1) (as added by section 501 of this  
15 Act), and inserting “AIDS”;

16 (2) by striking “such syndrome” and inserting  
17 “AIDS”; and

18 (3) by striking “HIV disease” each place such  
19 term appears and inserting “HIV/AIDS”.